



Daily Report

East Asia

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ASEAN Adopts Pact To Boost Cooperation

BK2804110596 Bangkok THE SUNDAY POST
in English 28 Apr 96 p 4

[Report by Somphon Thapanachai, Ekarin Phetsiri, and Saridet Marukathat in Singapore]

[FBIS Transcribed Text] Trade ministers of the Association of Southeast Asian Nations signed an agreement here yesterday allowing firms in the region to manufacture products that will enjoy tariff rebates.

The products will enjoy zero to five percent tariffs under the pact for the Asean Industrial Cooperation [Aico] scheme.

The Aico scheme is expected to be implemented in two or three months after the agreement is ratified by Asean governments.

The scheme is equivalent to an accelerated Asean Free Trade Area (Afta) benefit, said a statement issued at the end of the two-day meeting of the Asean trade ministers.

Ministers of Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam inked the deal.

Asean wants to make the agreement more appealing to non-Asean investors by offering them greater flexibility.

Deputy Prime Minister Amnuai Wirawan said economic officials will work out additional waivers by the end of May before announcing the benefits to the public.

All manufacturing aspects will be covered, including raw materials, he said after the informal meeting.

"We approved only the basic agreement," Indonesia's Industry and Trade Minister Tunky Ariwibowo said, adding that more talks were needed to expand the pact for non-Asean investors.

Aico will boost investment from non-Asean countries, which are allowed to take advantage of the scheme provided their companies or projects comprise at least 30% national equity.

The Aico, endorsed by the grouping at the summit in December in Bangkok, allows companies to obtain import tariff cuts of 0-5% immediately without having to wait for the AFTA tariff reduction programme to be completed in 2003.

Other privileges to be provided to participating companies will be determined by each individual government. There could be both tariff and non-tariff incentives under the agreement.

The additional waiver conditions concerning the qualifications of Aico participants to receive sideline benefits,

other than tariff cuts, are subject to the consideration of senior officials.

Further consideration is needed in shaping the four waiver conditions, which are: The alternative of 40% Asean equity, if a project fails to meet the 30% national equity requirement; the obligation for companies under Aico to export at least 50% of the total products; the granting of Aico benefits to the existing Brand-to-Brand Complementation (BBC) recipients; and the requirement for AICO participants to create new products and technology.

Aico immediately replaced the existing industrial cooperative agreements in automotive industry BBC and the joint investment project known as the Asean Industrial Joint Venture (Aijv).

The two projects extended privileges to the automobile industries and the joint ventures, but the new scheme will broaden this to every type of cooperation.

An Industry Ministry official said the Aico scheme was a super fast-track tariff reduction from now until January 1, 2003, building a strong base for Asean industries.

The incentives provided under the scheme are to be offered to participants in each individual project. For instance, a joint venture between Singapore, Thailand and Malaysia could enjoy preferential tariffs for their products with each other, while Indonesia, as the outsider for the case, need not offer any tariff cut or other benefit.

A source at the Commerce Ministry said that, Aico, despite its narrow range in terms of participants enjoying privileges, could enhance the competitiveness of regional products as substantial costs on tariffs are due to be excluded.

The door that Asean will open for non-Asean countries would attract not only Foreign Direct Investment (FDI) but also new production technology and know-how.

The ministers assigned officials to work out the details of the Asean Investment Area initiated by Singapore at the summit in December in Bangkok.

ASEAN Economic Ministers in Accord on WTO Agenda

BK2804110396 Bangkok THE SUNDAY POST
in English 28 Apr 96 p 1

[Report by Somphon Thapanachai, Ekarin Phetsiri, and Saridet Marukathat]

[FBIS Transcribed Text] ASEAN reached a common stance yesterday on opposing any new non-trade-related

issues brought before the first World Trade Organisation (WTO) ministerial meeting this December in Singapore.

The clear message came as the informal meeting of ASEAN Economic Ministers ended yesterday.

The chairman of Association of South East Asian Nations (ASEAN) economic ministers, Abdul Rahman Taib, Brunei's Minister of Industry and Primary Resources, will officially inform the WTO Secretariat in Geneva of ASEAN's position.

WTO meeting contrasts with that of some developed countries which are pushing for new issues to be raised such as completion policy, investment code, labor standard and corruption.

Sir Leon Brittan, Vice President of the European Commission, said here last week that the United States, European Union, Canada and Japan wanted to see a formal working group discuss the establishment of a multilateral investment agreement.

But in a rare display of solidarity among ASEAN members at the international level, all the grouping's ministers made clear their opposition to the plan.

"The ministers are quite unanimous in their opposition to these issues being raised at the WTO ministerial conference," Singapore's Minister for Trade and Industry Yeo Cheow Tong, said of the ASEAN position after the informal meeting.

Deputy Premier Amnuai Wirawan stated separately that ASEAN had agreed the new issues should be discussed in more appropriate forums instead of at the WTO conference saying the grouping did not want the issues used by other countries to place conditions on trade.

"We support uniform labor standards but it would be more appropriate to discuss these issues at the International Labor Organisation," Mr Amnuai said.

The first ministerial meeting should focus on the implementation of existing WTO agreements, as well as the completion of unfinished projects such as the negotiations on basic telecommunications, the deputy premier said.

The ASEAN economic ministers set three conditions for new issues to be raised at the WTO forum: they must be sufficiently trade-related, appropriate for the WTO forum or related.

Mr Amnuai said ASEAN also wanted to push for talks on the future liberalisation of trade in agricultural products at the Singapore meeting to prepare for negotiations on the issue to begin in 1999.

"Though the negotiations will start in 1999, time is needed to prepare for them, beginning this year," he said.

The ASEAN ministers also discussed progress on action programmes to be submitted to the Asia Pacific Economic Cooperation (APEC) forum. APEC trade ministers are to meet in July in New Zealand to examine the action programmes of all members which will be discussed by their leaders when they meet in the Philippines later this year.

ASEAN Agrees To Cut Tariff Rates on Farm Products

BK2704135196 Singapore THE STRAITS TIMES in English 27 Apr 96

[FBIS Transcribed Text] ASEAN trade liberalisation process took another step forward yesterday when its economic ministers agreed to cut the tariff rates on unprocessed farm products by year 2010, at the latest.

The end rates on these products, however, might be higher than the 0-5 per cent that had been agreed on for other goods and services traded within the grouping, said the ASEAN Economic Ministers (AEM) at the end of the 9th meeting of the ASEAN Free Trade Area (AFTA) Council.

ASEAN senior economic officials had been asked to allow for flexibility in determining the end-tariff-rates for these items, said a joint statement from the seven AEMs.

Trade and industry Minister Yeo Cheow Tong hailed the decision as another sign of the close spirit of cooperation among the member-countries.

"This question of tariff-cutting for unprocessed agricultural products has been around for a long time. It is good that the council fixed an end-date to resolve the issue," he said.

The opening up of the unprocessed farm product market has long been considered a politically sensitive issue as most ASEAN members, except for Singapore and Brunei, have a large agricultural sector.

Under the AFTA Common Effective Preferential Tariff (CEPT) scheme, goods and services are classified into three groups: inclusion list, temporary exclusion list, sensitive list.

Those on the inclusion list are to have their tariff rates cut to 0-5 per cent by year 2003.

Items on the temporary exclusion list are given a five-year grace period after 2003.

The sensitive list, which contains mainly unprocessed agricultural products, such as rice, sugar and soyabean, were previously exempted from tariff cuts altogether.

Indonesia has submitted the largest sensitive list so far, involving 15 items.

Mr Yeo said the council meeting also confirmed that ASEAN was well on its way to realise its "AFTA 2000" target.

Although the date of year 2000 was mooted only in September last year, most members had since taken various steps to speed up the implementation of the tariff reduction plan, he said.

By year 2000, it is expected that more than 87 per cent of all products under CEPT would have their tariff rates cut to 0-5 percent.

In their joint statement yesterday, the AEMs urged the member- countries to accelerate the tariff reduction, in particular, in three sectors: machinery and electrical appliances, base metals and metal articles, and plastics.

These items accounted for 60 per cent of the intra-ASEAN imports between July 1994 and June 1995, it noted.

At yesterday's meeting, the AEMs also agreed to consider the possibility of reducing the tariff rate on all CEPT items to 0 per cent by year 2003, instead of the 0-5 per cent that was originally scheduled.

This proposal was first brought up at the fifth ASEAN summit meeting at Bangkok last December.

Other matters agreed upon at yesterday's meeting included the:

- Signing of a protocol on dispute settlement mechanism in October this year;
- Elimination of customs surcharges on "identified CEPT products" by the end of this year;
- Removal of non-tariff barriers on a "prioritised list" of products;
- Review and improvement of the Green Lane system for speedy custom clearance for CEPT products. The system was proposed at the Bangkok summit meeting.

The AEMs continue their meeting today at Sentosa as part of their third annual retreat.

Among other things, they are expected to sign the ASEAN Industrial Cooperation Scheme (AICO), which aims to increase intra- ASEAN investment as well as investment from non-ASEAN countries.

ASEAN Urges World Labor Body To Reconsider Outdated Laws

BK2704130896 Bangkok BANGKOK POST
in English 27 Apr 96 p 7

[Report by Withamon Phongphairot]

[FBIS Transcribed Text] ASEAN labour ministers yesterday called on the International Labour Organisation (ILO) to review outdated conventions on workers' rights and be more flexible in applying labour standards.

Seven conventions, including one which dates back to 1930, were mentioned in a joint communique released at the end of the two-day 11th ASEAN Labour Ministers' Meeting in Bangkok yesterday.

The conventions targeted were: number 29 on forced labour (1930), 87 on freedom of association (1948); 98 on the rights to organise and collective bargaining (1949); 100 on equal remuneration (1957), 105 on the abolition of forced labour (1957) 111 on discrimination (1958), and 138 on the minimum working age (1973).

The ministers asked that, pending a review, the ILO adopt a more flexible approach in applying ratified conventions, relative to the stage of development of each member state.

All ASEAN members except Brunei are members of the ILO.

One entire page of the four-page communique was devoted to ASEAN's strong stand against the attempt by certain developed countries to link labour standards to international trade.

The ministers noted the progress made on labour cooperation programmes among ASEAN states and welcomed Vietnam's offer to host the next ministerial meeting.

The Philippines' Labour and Employment Secretary Leonardo Quisumbing said developing countries, including ASEAN members, were working on improving labour standards, but conditions varied from country to country.

He said ILO conventions should exist "to help, not to punish".

Other ASEAN ministers shared similar opinions, underscoring the view that the ILO conventions, formulated decades ago, were outdated and did not reflect the economic or social conditions of its members.

"ILO instruments should be used to help member states improve their socio-economic conditions and not as a tool to penalise them for non-compliance," said the joint communique.

Labour Minister Prasong Bunphong said developing countries were strongly opposed to linking labour standards and international trade describing the linkage as a deliberate protectionist act to carve out a larger stake in the world market.

"First it's the patent issue then tariff, and now they see we can handle those problems they resort to the so-called social concern," he said.

ASEAN has suggested the issue of labour standards be raised at the ILO, the appropriate body to deal with the matter, and not in international trade or other non-labour related venues, he said.

The ministers were confident their strong stand would be supported by other countries at international forums, including the ILO General Assembly to be held in Geneva in June.

Mr Quisumbing said he was certain ASEAN's voice would be heard in international forums.

"Our business is booming and many countries are interested in trading with us," he said. "At the same time we are also trying to improve our labour situations and standards."

Mr Prasong said ASEAN's stand should gain the support of other countries which have also refused to ratify some ILO conventions.

He said with Thailand due to gain a permanent seat on the ILO's governing body next year, it could use the position to reiterate ASEAN's firm stand.

Mitsuko Horiuchi, ILO director-general for Asia and the Pacific, said the issue could be raised at the ILO, which is a tripartite body consisting of representatives of governments, and employers and employees groups.

Japan

Japan: Associations Fail To Reach Agreement on New Chip Pact

OW2804021096 Tokyo KYODO in English
0157 GMT 28 Apr 96

[FBIS Transcribed Text] Tokyo, April 28 KYODO — The Japanese and U.S. semiconductor industries failed to iron out differences over the need for a new semiconductor pact at their meeting in Hawaii on Friday [26 April], according to the Electronic Industries Association of Japan (EIAJ).

Officials of the EIAJ and the U.S. Semiconductor Industry Association (SIA) mainly discussed a new framework for bilateral semiconductor trade after the expiration at the end of July of the existing intergovernmental chip pact, the Japanese association said.

Citing a joint statement issued after the daylong meeting, the EIAJ said Saturday differences remain between the Japanese and U.S. sides over the need for a new semiconductor agreement.

"In particular, the two sides disagree on the involvement of governments," the statement said.

The U.S. government and semiconductor industry are calling for an extension of the current pact to secure makers' access to the Japanese market, while the Japanese Government and industry see no need for an extension, since the share of foreign-made chips in the Japanese market has already topped the targeted 20 percent.

Nevertheless, the joint statement also said the EIAJ and the SIA "reaffirmed their desire to continue the good cooperation between the two industries established over the past decade."

"Both sides have recognized the need for a transition plan to secure the U.S.-Japan semiconductor relationship toward the 21st century," it said.

Japan: Government Views Extent of Defense Cooperation With U.S.

OW2704130396 Tokyo YOMIURI SHIMBUN
in Japanese 26 Apr 96 Morning Edition p 3

[FBIS Translated Text] On 25 April, the government gave its view on the extent of Japan-U.S. defense cooperation proposed in the Japan-U.S. joint security declaration. It explained that the "region around Japan" stipulated in the communique as an area subject to Japan-U.S. defense cooperation is the geographical area on which Japan's defense efforts and Japan-U.S. security arrangements can exert influence, and that, because the scale of the area is subject to change

depending on international situations, it is impossible to define it. However, it said the area is wider than the "Far East" covered by the Japan-U.S. security treaty.

The Japan-U.S. security pact stipulates that the area covered by the U.S. forces in Japan is limited to the "Far East." The government does not propose changing this policy, but suggests that in the area beyond the "Far East," Japan and the United States should cooperate in nonmilitary fields, such as security dialogs, conflict-preventing diplomacy, and UN peacekeeping operations, in view of the reconfirmation of the security pact at the recent Japan-U.S. summit. Such a view will enable the two countries to jointly deal with regional conflicts in Southeast Asia and Oceania.

Japan: LDP, SDP Narrow Differences on Support for U.S. Forces

OW2704150196 Tokyo ASAHI SHIMBUN
in Japanese 26 Apr 96 Morning Edition p 2

[FBIS Translated Text] There is movement among the ruling parties to act in harmony in dealing with the situation for the time being by "revising the existing laws" concerning the issue of revising laws on the assumption of the occurrence of an emergency in the Far East. The reason is that the ruling parties are convinced that they would be divided if they promote discussions without setting a framework because there is deep-rooted opposition within the Social Democratic Party (SDP) against enactment of new laws. The SDP, too, accepted the stand of approving the idea of revising the laws. It seems for the time being that the SDP is also sitting at the ruling parties' discussion table. However, it is not clear whether or not many support activities for the United States involve exercising the right of collective self-defense, which is banned by the Constitution. It is said that the issue is a "gray area." Therefore, it is possible that the confrontation within the coalition parties may be rekindled over concrete proposals.

"U.S. irritation is growing over how much importance Japan places on adhering to the Japan-U.S. security system," Prime Minister Ryutaro Hashimoto said to a group of reporters at a news conference on 25 April.

Regarding support to the United States, including the supply of fuel and the use of domestic airports in case of a Far East emergency, Chief Cabinet Secretary Seiroku Kajiyama and Koichi Kato, secretary general of the Liberal Democratic Party (LDP), confirmed on 22 April a study on enactment of new laws "within the framework of the Constitution and the individual right of self-defense." In response to this, the SDP expressed its opposition, saying that "we cannot approve the

enactment of emergency laws," (according to a senior SDF official). In this way, discussions on the emergency legislation faced rough sailing from the beginning.

Meanwhile, Kato said at the 23 April news conference: "(Emergency legislation) will not become a major law." Thinking that "the SDP is misunderstanding that the LDP is trying to introduce powerful emergency laws," (according to a senior LDP official), Kato tried to ease the SDP's concern. It seems that he had in mind, among other things: 1) revision of the existing laws on emergency use of roads and airports, and 2) preparation of manuals for collecting information and giving out instructions.

Following Sato's remarks, SDP Secretary General Kanju Sato stated at a 24 April news conference a different stand from that of the party, saying: "We may revise the laws within the framework of the individual right of self-defense." It seems that he came to the conclusion that the SDP, as long as it supports "firm maintenance of the security treaty" as a member of the ruling coalition, has no choice but to accept the idea of giving support to the United States.

However, it is likely that differences of view between the LDP and SDP leaders will become apparent from time to time during discussions between the ruling parties. The LDP maintains the stand that "we can deal with most for the U.S. support that we can think of by how we apply or revise existing laws, including the Self-Defense Forces Act," (according to a senior official of the Defense Council). Meanwhile, the SDP is saying "we will apply the brakes to it [excessive support for the U.S. military] as we study individual cases," (according to a senior SDP official).

Japan: Defense Chief Rejects ACSA Application in Emergencies

OW2804115396 Tokyo *NIHON KEIZAI SHIMBUN* in Japanese 26 Apr 96 Evening Edition p 2

[FBIS Translated Text] At a news conference held after a 26 April cabinet meeting, Defense Agency Director General Hideo Usui stressed: "Japan-U.S. joint training (between the Japanese Self-Defense Forces and U.S. forces) will not be held as normal during emergencies." On 15 April, the two countries signed the bilateral Acquisition and Cross-Servicing Agreement (ACSA) enabling them to mutually provide materials and services during joint drills and other occasions. However, Usui gave his view that Japan will not apply ACSA to emergencies by conducting bilateral joint drills during emergencies in the Far East.

Japan: DA Vice Minister on ACSA, Emergency in Far East

OW2704022296 Tokyo *NIHON KEIZAI SHIMBUN* in Japanese 26 Apr 96 Morning Edition p 2

[FBIS Translated Text] At a 25 April news conference, Defense Agency [DA] Vice Minister Naoaki Murata suggested that there is a possibility for the Self-Defense Forces [SDF] and U.S. military to provide each other with goods and services during an emergency in the Far East through the framework of the "Acquisition and Cross-Servicing Agreement (ACSA)," which the two countries signed recently. So far, the government has been explaining that the extent of SOFA does not include emergencies but is limited to 1) Japan-U.S. joint training, 2) UN peacekeeping operations (PKO), and 3) international humanitarian support. However, Murata slightly modified the government's past stance, saying that Japan-U.S. joint training may be carried out during an emergency in the Far East.

On the extent of ACSA's application, Murata said: "Under normal conditions, emergencies are not included. We do not know (about its exceptional application during an emergency) unless we actually encounter an emergency." In this way, he did not completely rule out the possibility of the SDF supplying fuel and other goods to the U.S. military during an emergency on the Korean peninsula by calling it a joint training.

However, he also pointed out that "Japan can decide on its own how to deal with joint training." He explained his understanding that the SDF cannot carry out joint exercises with the United States if they are considered military threats to another country or use of the collective self-defense right.

Japan: DFAA Urges Landowner To Sign Lease Contract for Sobe Plot

OW2904102696 Naha *OKINAWA TIMES* in Japanese 27 Apr 96 Morning Edition p 2

[FBIS Translated Text] Tokyo — On the night of 26 April, after a compromise was reached over entry onto land occupied by the U.S. Sobe Communications Facility, Masuo Morodomi, director general of the Defense Facilities Administration Agency [DFAA], thanked the U.S. forces for their understanding on the issue. At the same time, he urged Mr. Shoichi Chibana, an owner of a tract of the land, "to sign a land lease contract in response to the government's good faith."

Morodomi stressed that despite their concern that the operations of the facility might be disturbed during the landowner's entry onto his plot, the U.S. military

showed a full understanding of the need to give humanitarian considerations to the landowner, who hopes to hold a memorial service for his ancestors on the land. Asked why the government chose a compromise with Mr. Chibana instead of seeking a court ruling, Morodomi merely said: "The two sides accepted court proposals and reached a compromise."

Also asked why the government made a gradual concession during court negotiations, Morodomi said: "At first, the government made a necessary minimum compromise. But in response to Mr. Chibana's strong demand, we studied his entry into the land from various angles. The government has not changed its principle that his entry is acceptable if it is made peacefully."

In answering a question on whether or not the compromise will influence the Prefectural Land Expropriation Committee's screening of the government's request for emergency use of the land, he said: "That is a totally different issue. I believe the committee has fully accomplished its objective of conducting an on-the-spot survey. Their survey has different purposes. It is regrettable if you think the compromise may lead to the committee's decision (to turn down the government's request for emergency use of the land)."

Japan: Kin Town Adopts Resolution Against Sobe Site Relocation

OW2804115596 Naha OKINAWA TIMES in Japanese
26 Apr '96 Evening Edition p 9

[FBIS Translated Text] Kin — The Kin Town Assembly (led by Chairman Zenkichi Teruya, comprised of 22 members) held an extraordinary session on the morning of 26 April to respond the Japan-U.S. Special Action Committee on Okinawa's [SACO] interim report that revealed the complete return of Sobe Communications Site (nicknamed the elephant cage) in exchange for the construction of a new site at Camp Hansen. The assembly unanimously adopted a statement, a resolution, and another request resolution protesting the relocation of the site.

The statement says the communications site is an "extremely dangerous facility that could become the first target of attack in case of an emergency, because it aims to intercept the communications activities of warships, nuclear submarines, other types of vessels, and foreign bases." It then opposes the relocation, stressing that "the relocation is an enhancement of the base's function and will help to keep U.S. bases on the island for a longer period."

The statement will be sent to seven people, including the prime minister, the foreign minister, and the Okinawa governor. The resolution will be sent to three people

including the commander of U.S. Forces Japan. The request resolution will be sent to the Okinawa Prefectural Assembly.

Japan: Paper Details Compromise on Entry Onto U.S. Facility

OW2904002896 Naha OKINAWA TIMES in Japanese
27 Apr 96 Morning Edition p 2

[Unattributed article: "Following are the Contents of a Compromise Between the Government and Mr. Shoichi Chibana, an Owner of Property Located Within Land Occupied by the U.S. Sobe Communications Facility in Yomitan, Okinawa"]

[FBIS Translated Text] 1. The government will allow 30 people to enter the plot on each of two occasions in the period ending 30 June, 1997 (excluding Japanese and U.S. holidays).

2. The date and time for entry and the number of people who will enter the land will be determined by Mr. Chibana. (Entry can be made five days after Mr. Chibana gives notification in writing).

3. The government will neither block their entry nor hinder their stay on the plot. A. Rules Mr. Chibana Should Obey:

1. When entering the plot, Mr. Chibana and others should walk the path designated by the Naha Defense Facilities Administration Bureau.

2. Except for two cameras and a camcorder, they should not bring in any equipment, such as photography and electronic equipment, that may disturb electric waves.

3. Photography is permitted on the east side of the main building in the facility and their cameras and camcorder should be directed outside.

4. Entry should be made peacefully.

5. They should not make any alterations to the land and buildings in the facility. They should not touch antennas. B. Rules the Government Should Obey:

1. Two government officials will be allowed to enter the land to witness Mr. Chibana and others' access to the plot. They should not hinder their entry.

2. The government should not cover the land with plywood boards and mats.

3. Government officials can order Mr. Chibana and others to leave the land if they violate the agreement.

Japan: Working Panel Established To Promote Return of U.S. Bases

OW2904041496 Tokyo ASAHI SHIMBUN
in Japanese 27 Apr 96 Morning Edition p 2

[FBIS Translated Text] To accelerate work toward the settlement of U.S. military base issues, including the return of Futenma Marine Corps Air Station, which have been agreed on under the Japan-U.S. Special Action Committee on Okinawa [SACO], the Defense Facilities Administration Agency [DFAA] decided on 26 April to set up a "working panel on the promotion of efforts to settle U.S. military base issues." The panel, which will be led by DFAA Director General Masuo Morodomi, will work on such plans as relocation schedules for bases while studying measures for residents living near the bases.

Japan: Sakigake's Takemura on Defense Cooperation With U.S., Jusen

OW2904003596 Tokyo YOMIURI SHIMBUN
in Japanese 26 Apr 96 Morning Edition p 2

[Interview with Sakigake head Masayoshi Takemura by unidentified reporter; place and date not given]

[FBIS Translated Text] [YOMIURI SHIMBUN] There are differing opinions among the ruling parties concerning the review of the "Japan-U.S. defense cooperation guidelines" to prepare for possible emergencies in the Far East.

[Takemura] Noticeable differences have not been seen yet but will emerge as discussions progress. The ruling parties have agreed that the review should be made within the framework of the Constitution. Also, the Social Democratic Party has not claimed the review of related laws is totally unacceptable. Former Prime Minister Tomiichi Murayama has noted the need (to make legal preparations for defense cooperation). We are also positive about making legal preparations. We do not mind enacting a new law for the purpose.

[YOMIURI SHIMBUN] What do you think of the right of collective self defense?

[Takemura] New Frontier Party head Ozawa has stated that the Constitution thoroughly approves of exercising the collective self-defense right. I disagree with him. It is all right (for Ozawa and other New Frontier Party members) to openly call for revising the Constitution to make Japan a nation which can exercise the collective self-defense right. We take their opinion as one theory but cannot agree to it.

[YOMIURI SHIMBUN] Will this issue be the core of political strife leading to political realignment?

[Takemura] Fifty years ago, Japan chose an internationally unique course of imposing great restrictions on its military activities. Whether or not the choice was right can be regarded as the greatest of political questions. In this regard, arguments over the Japan-U.S. security arrangements and Constitution may have positive effects on political realignment.

[YOMIURI SHIMBUN] How does Harbinger intend to gather political forces to form a new party?

[Takemura] When you create a new party, it is important for you to have clear purposes and for all who join the party to agree with the purposes. Recent arguments over forming new parties tend to center on who will create a new party with whom, or whether or not this and that political groups should be merged. This is not right. The purpose of establishing a new political party should be clarified first.

[YOMIURI SHIMBUN] What do you think of the new party plan proposed by Harbinger Chief Secretary Yukio Hatoyama and former Economic Planning Agency head Hajime Funada of New Frontier Party?

[Takemura] I would not say much about their plan. Anyway, all Harbinger members think the time is not ripe (for forming a new party). When the time is ripe, Harbinger should make energetic and bold efforts to start over as a new political group. It is desirable that we establish a new party by gathering various forces.

[YOMIURI SHIMBUN] The main topic in the latter half of Diet discussions will be the liquidation of failed housing loan companies (known as jusen). Do you think the government's liquidation plan will be revised?

[Takemura] If more time was allotted, we could further discuss this issue, or we could choose to take legal steps. However, concluding that further delay in taking liquidation measures was inadmissible, we compiled the government's plan. We hope the New Frontier Party will submit a counterproposal. Because this is a big money issue involving 300 financial institutions, liquidation measures should be satisfactory to concerned people, or they will not be accepted. If the New Frontier Party proposes a way to avoid the infusion of taxpayers' money, we will listen with attention. I strongly hope they will initiate constructive discussions.

[YOMIURI SHIMBUN] What do you think of the issue of summoning Koichi Kato, secretary general of the Liberal Democratic Party [LDP], to the Diet?

[Takemura] As a politician, Mr. Kato himself should decide whether to obey the summons. This issue should not be used as a tool for Diet deals.

[YOMIURI SHIMBUN] Some have already called for extending the current Diet session.

[Takemura] A decision (on the extension of the present session) should be made when the session nears to a close. If necessary, it should be extended. But right now, we should make all-out efforts for the passage of five financial-related bills during the current session.

[YOMIURI SHIMBUN] Some LDP members have called for extending the current session and dissolving the House of Representatives in July.

[Takemura] Objectively speaking, I do not think the house will be dissolved during the current Diet session. The prevailing view within the ruling coalition is that the dissolution of the house will take place "after autumn." Citing the current international situation and domestic economic conditions, Prime Minister Ryutaro Hashimoto also told me that "dissolving the house is totally impossible for the next few months."

[YOMIURI SHIMBUN] As a former finance minister, what do you think of the issue of the state finance, which heavily depends on national bonds?

[Takemura] It will become an obstacle to future politics. Although this is a tough and difficult problem, we have to squarely tackle it. We would like to propose specific measures to implement a drastic tax reform, including sharp expenditure cuts and tax hikes.

[YOMIURI SHIMBUN] The next House of Representatives election will be a severe contest for Harbinger.

[Takemura] I must frankly admit that the next election will be tough for a small party like Harbinger. However, Harbinger members are in unexpectedly high spirits.

[YOMIURI SHIMBUN] Harbinger was inaugurated as an idealist party. But its idealism appears to be fading out.

[Takemura] We want to be a realistic political party which advocates idealism. Health Minister Naoto Kan recently demonstrated the (Harbinger) policy of promoting a shift from politics "for the government" to politics "for the public" by achieving substantial results (in the AIDS debacle). We also would like to take actions and make proposals to solve global environmental problems and promote green-keeping operations.

Japan: Article on Row Between LDP, SDP Over Emergency Legislation

OW2704024496 Tokyo MAINICHI SHIMBUN
in Japanese 25 Apr 96 Morning Edition p 2

[Article by Hiroto Kosuga and Keita Minami: "Discussion on Legislation To Prepare for Possible Emergencies

in the Far East May Cause Rift Among Coalition Partners"]

[FBIS Translated Text] On 24 April, Kanju Sato, secretary general of the Social Democratic Party [SDP], said his party opposed the idea of enacting a new law to deal with possible emergencies in the Far East but it would participate in discussions on Far East emergency measures, including the revision of the current law. In this way, he indicated that the SDP would give priority to maintaining the "ruling coalition," thus participating in such discussions. However, the Liberal Democratic Party [LDP] is considering enacting new legislation, and some LDP members have advocated reviewing the government's interpretation of the collective self-defense right proposed by Shinshinto [New Frontier Party] head Ichiro Ozawa. Arguments over emergency legislation may undermine the ruling coalition's foundation.

Interpretation of Joint Document

Since the "Japan-U.S. joint declaration" was issued on 17 April, relations between the LDP and SDP have been strained because of their differing interpretations of the wording in the joint document the three ruling parties compiled in reaction to the declaration. The joint document said that the ruling coalition would study what Japan can do in emergencies in the Far East "within the Constitution and related laws." From the beginning, the LDP expressed concern about this wording. A senior LDP member claimed: "We cannot promote discussion on legislation if we are bound to discuss what Japan can do within 'current related laws.'" Meanwhile, the SDP contended: "This wording will work to prevent discussion on emergency legislation."

Fearing that their differing interpretations could cause friction between the two parties, the Prime Minister's Official Residence had Chief Cabinet Secretary Seiroku Kajiyama hold talks with LDP Secretary General Koichi Kato on 22 April to inform the party that the possibility of enacting new legislation cannot be denied. Because Sakigake [Harbinger] also accepted the idea of studying the possibility of a new law, the SDP stood alone.

At a 24 April news conference, SDP Secretary General Sato said: "There may be a case in which we have to revise the current law within the right of individual self-defense. Such a revision is in line with the agreement among the ruling parties and with the government's decision." He rejected the idea of enacting a new law but noted the need for the three ruling parties to cooperate in this matter.

Centrifugal and Centripetal Forces

Former Prime Minister Yasuhiro Nakasone and some other LDP members are sympathetic to Ozawa's proposal. Noting that the SDP does not want political unrest to lead to an early dissolution of the House of Representatives for a snap general election, some LDP members said: "The SDP is not prepared to leave the ruling coalition and argue against the LDP" (according to a mid-ranking member of the former Mitsuzuka faction).

Considering it important to pay attention to what the SDP has asserted, the LDP leadership calls for "earnest studies on Far East emergency measures within the Constitution," making a clear distinction between its position and Ozawa's. However, remarks and acts of senior LDP officials who take a stand against the LDP leadership may provoke the SDP.

SDP Secretary General Sato said: "If they approve of the exercise of the collective self-defense right or intend to revise the Constitution, we have to review the present coalition government's framework." Relations between the LDP and SDP may be further strained as arguments over legislation progress.

Japan: LDP Delegation Ineffective in Talks With PRC's Jiang Zemin

OW2704130196 Tokyo MAINICHI SHIMBUN in Japanese 26 Apr 96 Morning Edition p 2

[Article by Ko Koga]

[FBIS Translated Text] The Liberal Democratic Party (LDP) delegation (led by General Council Chairman Masajuro Shiokawa) ended its China visit and returned home on the night of 26 April. Compared with other former LDP delegations, those who joined this one were mostly pro-Taiwan advocates and supporters of an enhanced Japan-U.S. security framework. With the Taiwan-China discord in their minds, some LDP "hawks" wanted to "make a stage appearance" through this visit and dared to challenge China through discussions. But their talks produced an unfavorable impression that the LDP "was faked out" by Chinese officials.

What drew attention regarding the LDP's visit to China is how China would react to Japan which started moving toward the "enhancement" of the Japan-U.S. security framework in the face of the Taiwan Strait tension. However, those LDP delegates did not look so good after the talks with Chinese President Jiang Zemin on the afternoon of 23 April. One of the delegates said frankly that Jiang "was reluctant to respond our discussion." At the beginning of the talks, delegation leader Shiokawa tried to provoke Chinese attention by saying: "The views of younger Japanese people toward

China are changing." In reply, Jiang brought up the issue of historical awareness — Japan's Achilles' heel — to the table and rebutted: "If your country fails to work hard to educate the youth, it will cause a very serious problem."

The LDP delegation also exchanged opinions with a senior officials of the People's Liberation Army, who are believed to have been in charge of China's military drills near Taiwan, and a senior spokesman of the Chinese Foreign Ministry. These officials repeated the same old cut-and-dried answers to the LDP's questions on the Taiwan issue, nuclear testing, and China's policy on the United States. Their discussion never achieved any depth.

Such a lack of enthusiasm possibly indicates Jiang's intention to not create friction with the United States. It was symbolic that Jiang had to deny comments by a Chinese Foreign Ministry official who said, "China is under U.S. nuclear threat," by stressing he "did not say the nation is under nuclear threat."

Japan: Jiang Zemin Reportedly Critical of Tokyo Over War Remarks

OW2804073496 Hong Kong AFP in English 0555 GMT 28 Apr 96

[FBIS Transcribed Text] Tokyo, April 28 (AFP) — Chinese President Jiang Zemin has criticised Japanese justifications of its World War II record, saying its historical view was a "grave problem," the SANKEI SHIMBUN said Sunday [28 April].

The Chinese president made the remarks last Tuesday in Beijing during a meeting with Masajuro Shiokawa, a senior official of Japan's ruling coalition, the newspaper said, quoting government and Foreign Ministry sources.

"Wrong recognition of history is a grave problem," Jiang was quoted as telling Shiokawa, who is also a leader of the Liberal Democratic Party (LDP), the largest force in the coalition, the daily said.

"The attitude taken by Germany towards the lesson from the war has been relatively good," Jiang said. "In Japan, meanwhile, whenever a cabinet is formed, at least one minister has (expressed) a militaristic opinion."

"I used to live in an area occupied by Japan. I can't forget about the years," Jiang was quoted as saying.

In recent years, several LDP ministers have been forced to resign for controversial remarks related to Japanese history.

The most recent resignation came late last year after an LDP cabinet member's remarks on the positive aspects

of Japan's 35-year occupation of the Korean peninsula triggered a storm of protest in South Korea.

Jiang, meanwhile, hinted that Beijing would maintain its current military strength, brushing aside concerns of neighbouring countries over China's expanding defense forces.

"Japan's defense budget has reached 50 billion yen, but ours is only \$7.1 billion," he said. "How can you say this is a threat? China is a large country and we have to maintain it not to be ill-treated by others."

Referring to China's military drills during Taiwan's presidential campaign in March, Jiang said: "The exercises were a display of our strength."

"I don't know why (U.S.) air craft carriers came to see our military exercises, which were carried out within our territory," he said, adding that the United States should keep its promise not to support Taiwanese independence.

Japan: Foreign Minister Welcomes Israel-Hizballah Cease-Fire

OW2704093996 Tokyo KYODO in English
0923 GMT 27 Apr 96

[FBIS Transcribed Text] Tokyo, April 27 KYODO — The Foreign Ministry welcomed the just agreed cease-fire between Israel and Hizballah guerrillas in a statement released Saturday [27 April].

Foreign Minister Yukihiko Ikeda said in the statement he hopes the truce will lead to permanent stability and security in the region.

"Japan will also make as much contribution as possible to advancing the peace process in the Middle East," the statement said.

An agreement to halt fighting between Israel and Hizballah Muslim militants was announced Friday.

Japan: Defense Chief Leaves for Unprecedented Russian Visit

OW2704040996 Tokyo KYODO in English
0354 GMT 27 Apr 96

[FBIS Transcribed Text] Tokyo, April 27 KYODO — Defense Agency chief Hideo Usui left for Russia on Saturday [27 April] for the first-ever top-level defense talks between the two nations.

Usui will meet Monday with Russian defense chief Pavel Grachev in Moscow to exchange views on the expansion of bilateral security dialogue and the situation on the Korean peninsula.

He is slated to return to Japan on Tuesday.

Tokyo, Moscow Agree To Widen Bilateral Security Talks

OW2904122696 Tokyo KYODO in English
1156 GMT 29 Apr 96

[FBIS Transcribed Text] Moscow, April 29 KYODO — Japan and Russia agreed Monday [29 August] to broaden bilateral security talks as part of efforts to get their still icy relations on a steady path to improvement, Japanese officials said.

Japanese Defense Agency chief Hideo Usui and Russian Defense Minister Pavel Grachev reached the accord when they signed a document on the reinforcement of bilateral security dialogue, the officials said.

It was the first-ever meeting between top Japanese and Russian defense officials.

Under the agreement, Tokyo and Moscow will notify each other of plans for massive military exercises, allow their naval vessels to visit each other's ports and launch joint communications drills.

The two countries, still technically at war without signing a peace treaty, will open dialogue between their military officers to enhance high-level bilateral security talks.

With the signing of the document, Japan and Russia will likely step up efforts to deepen mutual trust, promote security dialogue and contribute to setting up a fresh multilateral framework on security in northeast Asia, analysts said.

In his meeting with Grachev, Usui extended an invitation to the Russian defense minister to visit Japan and continue ministerial-level defense discussions, the officials said.

Grachev replied he is happy to accept the offer, the officials said. He also said Russia has no intention of viewing any country as its enemy, they said.

While welcoming a cutback in Russian troops to 3,500 on a group of four Russian-occupied and Japanese-claimed islands off Japan's northernmost main island of Hokkaido, Usui urged an early complete troop withdrawal from there as promised by Russian President Boris Yeltsin in 1993, the officials said.

Grachev said Moscow has been trying hard to reduce the number of its troops stationed in the Far East, including those on the disputed islands over which Japan and Russia have been at loggerheads for decades.

Tokyo demands a reversion of the four islands — Etorofu, Kunashiri, Shikotan Islands and the Habomai group of islets — as a prerequisite for the conclusion of

a bilateral peace treaty. The former Soviet Union seized the islands in the closing days of World War II.

With regard to the situation on the Korean peninsula, a major potential flash point in East Asia, the Japanese defense chief pointed to the need for closer collaboration among the countries concerned so as to prevent contingencies from erupting there, the officials said.

Grachev made it clear Moscow will be closely watching the proposed four-way peace talks among North and South Korea, China and the United States, the officials said.

But the Russian defense minister reiterated Russia's position that a more appropriate mechanism would be to allow multilateral talks, with participants from any country interested in peace and stability on the peninsula.

The four-nation formula was proposed earlier this month by South Korean President Kim Yong-sam and U.S. President Bill Clinton in the wake of North Korea's violations of the armistice on the peninsula, which ended the 1950-53 Korean war.

In the course of his discussion on Russia's defense policy, Grachev said Russia has no plan to form a military bloc and that its nuclear weapons should function as a deterrent, the officials said.

He also predicted Russia will be able to ratify the Strategic Arms Reduction Talks II, signed between then U.S. President George Bush and Yeltsin in January 1993, "in the not-too-distant future," the officials said.

Usui expressed hope the conflict in Chechnya will be resolved in accordance with a comprehensive peace plan proposed by Yeltsin in March.

At a dinner meeting with Grachev on Sunday, Usui described his Russian trip as "a historical step" toward improving bilateral ties. Grachev said he hopes to strengthen Russia's relations with Japan.

Usui, on a four-day journey ending Tuesday, is the third Japanese Government leader to visit Russia in two months. Foreign Minister Yushiko Ikeda and Prime Minister Ryutaro Hashimoto were in Moscow in March and earlier this month, respectively.

Japan: Mongolian, Russian Airlines Begin New Service to Osaka

OW2704100596 Tokyo KYODO in English
0950 GMT 27 Apr 96

[FBIS Transcribed Text] Osaka, April 27 KYODO — Regular flight service between Japan and Mongolia began Saturday [27 April] with an inauguration ceremony held at Kansai International Airport near Osaka.

The first airplane from Ulaanbaatar arrived at the airport at 1:30 p.m., starting the first once-a-week service between the two countries.

Khuvaahuu Aleksandr [spelling of name as received], president of Miat Mongolian Airlines, told the ceremony the flight service could "shorten the distance between the two countries and deepen the bilateral friendship."

It takes 7 hours and 10 minutes for a flight from Kansai International to Ulaanbaatar via Tianjin in China, while a flight from Ulaanbaatar to the airport takes 5 hours and 40 minutes.

Saturday also marked the launch of flight service by the Russian airliner Aeroflot to Japan. Regular flight service between Osaka and Paris via Moscow will be offered twice a week.

With the opening of the two new air routes, Kansai International, Japan's first 24-hour airport for commercial flights, has been linked with 72 cities in 32 countries.

Japan: Foreign Minister Leaves for EU, South Africa Talks

OW2704050296 Tokyo KYODO in English
0348 GMT 27 Apr 96

[FBIS Transcribed Text] Tokyo, April 27 KYODO — Foreign Minister Yukihiko Ikeda departed Saturday [27 April] for a nine-day trip to Belgium, South Africa and Turkey for a series of talks including a ministerial session with the European Union (EU).

Following the Japan-EU meeting in Brussels on Monday, Ikeda will head for South Africa on Tuesday for talks with South African President Nelson Mandela.

During his visit, the first ever by a Japanese cabinet member, Ikeda will address a meeting of the U.N. Conference on Trade and Development (UNCTAD) in Midrand, outside Johannesburg, and hold talks with his South Korean Foreign Minister Kong No-myong, who will also attend the conference.

On the third leg of his trip Ikeda will go to Turkey on Thursday and return to Japan on May 5.

Japan: MITI, EPA Chiefs Depart for Brussels Talks With EU

OW2704045896 Tokyo KYODO in English
0353 GMT 27 Apr 96

[FBIS Transcribed Text] Tokyo, April 27 KYODO — International Trade and Industry Minister Shumpei Tsukahara and Economic Planning Agency Director General Shusei Tanaka departed Saturday [27 April]

for Brussels, where they will hold talks Monday with European Union ministers.

Tsukahara will fly back to Japan Tuesday, government officials said.

Japan: EU's Brittan, Ikeda Discuss Korean Peninsula

OW2904064096 Tokyo KYODO in English
0536 GMT 29 Apr 96

[FBIS Transcribed Text] Brussels, April 28 KYODO — The European Union's trade commissioner predicted Sunday [28 April] that the integration of European currencies would be launched in early 1999 with six of EU member countries being expected to be initial participants, Japanese officials said.

European Commission Vice President Leon Brittan made the comment at a working dinner with three Japanese cabinet ministers, who are in Brussels to attend a regular ministerial meeting with senior EU officials, they said.

Brittan was quoted as saying about six countries are likely to integrate their currencies at the beginning of 1999.

He cited factors such as continued economic reforms in France and large-scale economic stimulus measures in Germany as helping realize currency unification.

Japanese Foreign Minister Yukihiko Ikeda expressed support for the integration of currencies among the 15 EU member countries, the officials said.

During the meeting, Ikeda expressed Japan's support for proposed four-way talks on peace on the Korean peninsula, saying "Japan is willing to cooperate should there be any role it can play."

The United States and South Korea proposed the talks among the North and South Korea, China and the U.S. when U.S. President Bill Clinton visited South Korea in mid-April. There has been no official response to the proposal from North Korea.

Ikeda was quoted as saying it is "important for the Asia-Pacific region to include China as a constructive partner."

Expressing support for Ikeda's views on the situation on the Korean peninsula, Brittan said he will ask EU members to support the European Commission plan to offer 75 million ECUs (about 10 billion yen) to the Korean Peninsula Energy Development Organization (KEDO) over a five-year period.

The working dinner was also attended by Japan's International Trade and Industry Minister Shumpei

Tsukahara, Economic Planning Agency chief Shusei Tanaka, and the EU's External Economic Relations Director General Horst Krenzler.

Tokyo Seeks 'Good Relations Based on Dialogue' With EU

OW2904134896 Tokyo KYODO in English
1327 JMT 29 Apr 96

[FBIS Transcribed Text] Brussels, April 29 KYODO — The European Union (EU) on Monday [29 April] welcomed planned deregulations in Japan but urged the Tokyo government to intensify its efforts.

At a Japan-EU ministerial meeting in Brussels, EU Trade Commissioner Leon Brittan noted with great interest that Japanese Prime Minister Ryutaro Hashimoto cited deregulation as a top priority for his government.

"The EU will continue to press with force and persistence for a deregulated and open Japanese economy, firmly believing that it is also in the interests of Japanese companies and consumers," Brittan said.

It was the first EU-Japan ministerial meeting since 1994. Both sides agreed that their relations have improved and said bilateral trade was increasing faster than world trade.

The participation of the EU in promoting nuclear safety in North Korea and Japan's role in the former Yugoslavia were also part of the discussions as an expression of the new partnership.

Last week, the EU commission, an executive body of the EU, proposed European participation in the Korean Peninsula Energy Development Organization (KEDO) with funding of 75 million ecu, or European currency units, for five years.

Brittan said Japan was making a "positive contribution" to the reconstruction in Bosnia.

During the meeting, both sides also expressed determination to secure a positive result in the WTO telecom negotiations due to be concluded April 30 in Geneva.

The EU expressed dissatisfaction over remaining barriers in Japan to EU pigment exports.

The two sides did not broach semiconductor trade, which was discussed days ago in Kobe, Japan, at a meeting between the EU, Japan, the United States and Canada.

"The EU relations with Japan are in good shape, but we need to improve them still further," Brittan said after the meeting.

"In such an environment, it is expected that good relations based on dialogue and cooperation will be further enhanced between Japan and the EU," a statement from the Japanese delegation said.

The Japanese side was represented by Foreign Minister Yukihiko Ikeda, International Trade and Industry Minister Shumpei Tsukahara and Economic Planning Agency head Shusei Tanaka.

The Japanese side invited EU Commission President Jacques Santer to visit Tokyo in October for talks with Prime Minister Hashimoto.

Tokyo Announces \$10,000 Flood Aid to Brazilian City

OW2904003796 Tokyo KYODO in English
1206 GMT 26 Apr 96

[FBIS Transcribed Text] Tokyo, April 26 KYODO — Japan will donate 10,000 dollars to the eastern Brazil port city of Salvador for damage caused by last weekend's torrential rains, government officials said Friday [25 April].

The localized downpour hit Salvador from Sunday night until Monday morning and caused landslides and floods, killing 25 people and injuring 26 others.

Japan: Kubo Denies Change in Low-Interest Policy

OW2904041596 Tokyo MAINICHI SHIMBUN
in Japanese 27 Apr 96 Morning Edition p 9

[FBIS Translated Text] Regarding the market's speculation that the Bank of Japan [BOJ] may change its super-low-interest policy, Wataru Kubo, deputy prime minister and finance minister, spoke to a 26 April news conference: "The BOJ executive director's comment at the Upper House Finance Committee did not sound like so (as if it favors policy change). BOJ Governor Yasuo Mutsushita has also repeatedly pledged the utmost efforts toward economic recovery."

While the BOJ has sought a chance to shift its policy, the Finance Ministry has shown, beneath the surface, its negative attitude toward an early change in monetary policy from the viewpoint of giving top priority to economic recovery.

Japan: Poll Shows Majority Against Plan on 'Jusen' Issue

OW2804020996 Tokyo KYODO in English
0152 GMT 28 Apr 96

[FBIS Transcribed Text] Tokyo, April 28 KYODO — An overwhelming majority of Japanese voters surveyed are against a government plan to use taxpayers' money to help liquidate moribund housing loan companies,

known as "jusen," according to results of an opinion poll published Sunday [28 April] by a national daily.

The MAINICHI SHIMBUN said its survey shows 86 percent of respondents against the government scheme, up from 74 percent in January, with 11 percent in favor, down from 19 percent.

The poll, conducted April 19-21 through direct interviews, covered 3,009 people, of whom 69 percent responded.

Under pressure from the public and opposition parties, Prime Minister Ryutaro Hashimoto's government has agreed not to implement for the time being the jusen liquidation program which calls for public funding of 685 billion yen.

The MAINICHI survey also found that 92 percent of respondents considered the government's handling of the affair to be inadequate and only 5 percent thought it proper.

Asked specifically about the 685 billion yen program, 60 percent of those answering the survey said it should be scrapped or revised, 15 percent called for a permanent freeze and only 10 percent supported the scheme, the daily said.

The MAINICHI poll also found that 27 percent singled out the management of the jusen as the source of the scandal, while 25 percent blamed the banks which founded the failed housing loan companies, as well as farm-related financial institutions which lent money to the jusen.

Tokyo Decides To Avoid Using Tax Money for 'Jusen'

OW2904123196 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 27 Apr 96 Morning Edition p 1

[FBIS Translated Text] On 26 April, the government and ruling coalition parties decided that the introduction of financial funds amounting to 680 billion yen [figure as published] for settling the housing loan [jusen] issue will be substantially avoided; and financial institutions, with the founding banks playing the major role, will be urged to shoulder the entire burden. Among the plans that have surfaced include: Increasing the legal transfer rate [hotei kuriire ritsu] of reserves for uncollectible accounts [kashidaore-hikiatekin] for financial institutions; and increasing contributions by about 1 trillion yen to the new "financial stabilization fund," which is to be established under the Deposit Insurance Corporation.

It has been decided that for the purpose of easing opposition to the use of tax money and settling the issue without making any basic changes to settlement plan's

framework, the only alternative left is to ask financial institutions to increase their shares of the burden. If the issue can be settled in this way, the government and ruling parties will be able to shut out opposition to the jusen issue settlement plan by the New Frontier Party (NFP), and Prime Minister Ryutaro Hashimoto will probably be able to strengthen his leadership over the management of the political situation.

If the financial institutions agree to the plan, the government and ruling parties will study the possibility of postponing the budget's enactment, which amounts to 680 billion yen [figure as published]. However, the founding banks and other institutions have long maintained that "They will provide cooperation in settling the jusen issue on condition that the budget be enacted." In this regard, there is also a possibility that the budget will be enacted first, and the entire amount will be returned to the national treasury later.

What lies behind the new plan is the situation at the Diet: it seems unlikely that the jusen settlement bill and the four other finance-related bills will be adopted during the current Diet session. While the Diet term will expire on 19 June, the NFP has not indicated any intention of changing its demand "for deleting the financial fund." Thus, the gap between the ruling parties and the NFP remains unfilled. Even if the Diet term is extended by a large margin, it seems unlikely that the issue will be settled without working out a compromise plan.

Without the passage of related bills, the settlement plan cannot be put into effect, which will have a serious influence on the economy and financial markets. Wataru Kubo, deputy prime minister and concurrently finance minister, has repeatedly mentioned "an increase in the burden to be shouldered by the founding banks," and senior Liberal Democratic Party (LDP) members have already started contacting business leaders.

As a measure to break the stalemate and create favorable conditions for financial institutions, it has been decided that the legal transfer rate — which allows the inclusion of bad loans as losses — of the reserves for the uncollectible accounts for financial institutions will be raised. (The current rate is set at 0.3 percent of the book value of loans at the end of the term.) This measure aims at strengthening the framework to facilitate the settlement of bad loans. By expanding the range of losses, the financial institutions' corporate tax burdens will be reduced. In return, they will be asked to increase their share of funds for settling the jusen issue.

It seems most likely that the financial institutions will be asked to increase their share of the financial stabilization fund. According to the government's settlement plan,

a total of approximately 1 trillion yen contributed by all financial institutions will be used for a 15-year investment, and the profit from this investment will be donated to the organ for settling the jusen issue so that it can be used to pay for "secondary losses." It has been observed that on average, about three percent profit a year can be obtained by investing in this fund. If the total amount of approximately 1 trillion yen can be increased to approximately 2 trillion yen, the investment profit is estimated to exceed 1 trillion yen. The profit that exceeds the original plan will be turned over to the national treasury, thereby offsetting the jusen fund set aside in the FY96 budget bill.

According to an additional measure worked out by the ruling parties in March, it has been stated that the increased revenues obtained through the restructuring of financial institutions unconnected with the jusen issue will be used "to fill the gap in the jusen fund." However, this plan has been met with criticism. One advantage with the new decision lies in the fact that financial institutions' share of contributions to the organ for settling the jusen issue will increase substantially. The draft FY96 budget and other connected bills will be adopted as originally scheduled, and there will be no changes in the basic framework of the plan to settle this issue. For example, loans will be recovered by setting up an organ specialized in handling the jusen issue. From the 685 billion yen [as published] financial fund, only 5 billion yen will be appropriated — as originally planned — for expanding the functions of the Deposit Insurance Organ.

The financial institutions have refused to shoulder additional burdens because of their concerns that the representatives of stockholders could possibly file lawsuits against them.

In the bill for settling the jusen issue, it is clearly stated that "financial and other institutions that have made investments in or provided loans to the jusen companies" will contribute to the fund. Since the investment will be made on a legal basis, it has been observed that the institutions will not be subject to lawsuits. Therefore, founding banks have already decided to contribute approximately 1 trillion yen. Since this will be an additional contribution but not a new increase in their burden, the government and ruling parties maintain that apprehensions among financial institutions can be eased.

For the purpose of settling the bad loan issue, the plan calls for approving an increase in the legal transfer rate for the uncollectible account reserves. This decision was made in consideration of the following facts: "If we carry on criticism alone, banks will not agree to increase

their share of the burden. What is important is that we should try to make them feel like they should take action." If the financial institutions fail to respond to the decision on increasing their shares on their own accord, the government and ruling parties have other plans in mind: Measures based on the Tax Law may be taken to limit the application of reserves for uncollectible accounts as losses; or Prime Minister Hashimoto may issue a statement on this issue.

Japan: Sumitomo Lease To Write-Off Y60 Billion in Bad Loans

OW2604134896 Tokyo KYODO in English
1213 GMT 26 Apr 96

[FBIS Transcribed Text] Tokyo, April 26 KYODO — The ailing Sumisho Lease Co. said Friday [26 April] it will write off some 60 billion yen [Y] in bad loans in the next five years, with its major shareholder Sumitomo Corp. and its main bank, Sumitomo Trust and Banking Co., giving up claims against it.

Of the 60 billion yen in irrecoverable loans extended for real estate deals, 40 billion yen will be disposed of in installments — two-thirds by Sumitomo Corp. and the remainder by Sumitomo Trust and Banking, Sumisho Lease officials said.

The leasing company, affiliated with Sumitomo Corp., holds 100 billion yen in bad loans as a result of unrestrained lending with real estate put up as collateral during the speculative "bubble" economy of the late 1980s.

The company itself will write off 20 billion yen in bad loans with the loss to be covered by rationalization efforts, including cutting the workforce and reducing fund-raising costs, so that it can devote itself to its mainstay leasing business, the officials said.

Sumisho Lease has total debts of 840 billion yen, of which Sumitomo Corp. extended 140 billion yen and Sumitomo Trust and Banking lent 107 billion yen, they said.

Sumitomo Corp. and Sumitomo Trust have decided to help reconstruct the leasing company as it is unlikely to be able to restructure itself, industry sources said.

Sumisho Lease posted a net loss for the 1994 business year which ended March 31 last year for the first time since its stock listing in November 1983.

Japan: Bank Chief's Resignation Said Related to 'Jusen' Issue

OW2604143196 Tokyo KYODO in English
1337 GMT 26 Apr 96

[FBIS Transcribed Text] Tokyo, April 26 KYODO — Fuji Bank President Toru Hashimoto, despite claims to the contrary, is apparently stepping down to assume responsibility for public criticism directed at the banking industry about the problem of insolvent "jusen" housing loan companies, analysts said Friday [26 April].

Hashimoto wants to decrease such criticism because he served as chairman of the Federation of Bankers Association of Japan for one year until Tuesday, the analysts said.

Hashimoto has another year left at the helm of Fuji Bank.

Fujinbank announced Friday that Hashimoto will resign from the current post he has held since June 1991 and become board chairman with the right to represent the bank.

Hashimoto will be succeeded by Yoshiro Yamamoto, a vice president, the major commercial bank said, adding that the top management changes will be formalized at a board of directors meeting scheduled for July 27.

Hashimoto told reporters he will step down not to take responsibility for the jusen problem but to contribute to the best interests of his bank.

Banks have been strongly criticized as founders of the housing loan companies and Hashimoto is scheduled to speak on the issue at a House of Councillors Budget Committee session next Friday.

Finance Minister Wataru Kubo recently urged heads of founder banks of the housing loan companies to take moral responsibility for the housing loan fiasco.

At Friday's afternoon press conference, Kubo said he had no comment on Hashimoto's resignation because he made the decision independently.

But Kubo quickly added that the founder banks' agreement to give up 3.5 trillion yen in loans to the housing loan companies in a government package to liquidate them is not sufficient, maintaining his position that banks should shoulder a greater burden in the package.

In the meantime, Yamamoto, Hashimoto's successor, said he will strive for Fuji Bank's recovery of problem loans and the creation of a work environment where workers feel motivated.

Japan: LDP's Kato on Diet, 'Jusen,' Security Issues

OW2704133896 Tokyo YOMIURI SHIMBUN

in Japanese 25 Apr 96 Morning Edition p 2

[Interview with Koichi Kato, secretary general of the Liberal Democratic Party (LDP), by unidentified reporter; date and place not given]

[FBIS Translated Text] [YOMIURI SHIMBUN] In looking back on the first half of the current Diet session, what do you think of it?

[Kato] It will take much time to win the people's understanding about the issue connected with "jusen." Now that "jusen" managers and those who have borrowed huge amounts of loans will mostly be called to account for their responsibilities, I feel that finally, there is a little progress in the people's understanding. Anyway, I think the House of Representatives election will be held within a year. There will be keen survival campaigning for all political parties and politicians under the new combined system of the single-seat constituency and proportional representation. The current Diet session has passed in a rather cold and awkward way.

[YOMIURI SHIMBUN] Based on the recent accord reached between the ruling and opposition parties, will there be a more flexible approach toward the "jusen"-related issue?

[Kato] Mr. Ozawa (head of Shinshinto [New Frontier Party]) asked that a decision be made on giving priority to the legislature. In response, the ruling parties endeavored with greatest difficulty to work out a consensus within the government, and the efforts resulted in the accord reached with the opposition.

Shinshinto has its own plan, and the plan worked out by the Japanese Communist Party (JCP) calls for additional burden sharing [by founding banks or agricultural cooperatives]. No matter which plan is adopted, the ruling parties will agree to it — even if it means that the original government plan has to be revised — if we can only also convince those connected with banks and agricultural cooperatives. However, no such conditions have been created at this moment.

[YOMIURI SHIMBUN] A request has been made by Shinshinto and other parties to summon you as a witness. What do you think of it?

[Kato] I think I should not become an obstacle to deliberations on the draft budget or the "jusen" issue. At the same time, since I am personally involved, the decision on this issue has been left in the hands of the three other top executives and chairman of the Diet Affairs Committee. They have warned me that "it would be rather irrational," but that "I should refrain from

acting imprudently." However, I am ready to abide by the decision made at the consultations of the special committee (on financial issues).

[YOMIURI SHIMBUN] It has also been argued that you should take it upon yourself to clear yourself of the suspicion.

[Kato] Personally speaking, I would like to take it upon myself to clarify how the political funds have been handled. However, I'll try to keep the issue from being used as a card in political bargaining.

[YOMIURI SHIMBUN] Some of your party members tend to mention the possibility of extending the Diet session or of dissolving the House of Representatives at an early date. What do you say?

[Kato] I have no intent of extending the Diet session. We would like to have the five bills connected with the "jusen" issue and bad loans adopted at any cost within the current Diet session. Since the economy is turning a little better now, there should be no interruption. What is important is not to dissolve the House of Representatives, but to promote economic management in a solid way. We have a heap of tasks to carry out. For example, following the decision on returning Marine Corps Air Station Futenma, we will have to work out a concrete plan for relocation. Aides at the Prime Minister's Official Residence and party executives as well have reached a consensus that this is not the time to dissolve the House of Representatives.

[YOMIURI SHIMBUN] It is still impossible to win the people's understanding about the "jusen"-related issue. Is it because of this situation that no final decision can be made on the dissolution?

[Kato] Yes, to some extent. Caution has to be exercised in deciding the question as to "whether it will be alright to hold the election now?" The election will be held this autumn at the earliest, but probably next year.

[YOMIURI SHIMBUN] The consumption tax rate will be raised beginning next April. Has this fact been taken into account?

[Kato] In deciding on the timing of the dissolution, the consumption tax issue is an important factor that has to be taken into account. The financial reconstruction will become a major political theme in the future. Therefore, the point at issue is how the consumption tax issue will be reviewed this autumn.

[YOMIURI SHIMBUN] It seems that some of your party members call for "an alliance among conservative members [ho-ho rengo]," while others insist on contentions among different generations.

[Kato] It has been reported that the ideas of Mr. Kajiya (chief cabinet secretary) are different from those of Kato who favors "the coalition among the LDP, the Socialist Democratic Party [SDP] and Sakigake [Harbinger Party]." However, this point has been reported in exaggeration. If I am criticized for attaching great importance to backbone and younger party members alone, this would all be due to my lack of discretion.

[YOMIURI SHIMBUN] In connection with the next realignment of political circles, it is said that the "new Ichi-Ichi war" is likely to break out between Ichiro Ozawa and Koichi Kato.

[Kato] It is not true. Prime Minister Hashimoto will be angry if he hears this. It is very rude to Mr. Ozawa as well. He led Japanese political circles over the past five years, and I am not nearly so influential as he is. The present political situation can be symbolized as "confrontation between Prime Minister Hashimoto and Mr. Ozawa."

[YOMIURI SHIMBUN] Is there not "cooperation"?

[Kato] Of course not. There is confrontation.

[YOMIURI SHIMBUN] Will the question of collective self-defense rights be the point of contention for political realignment in the future?

[Kato] If Prime Minister Hashimoto and the Liberal Democratic Party forcibly start deliberation on this matter, particularly about concrete measures for handling actual emergencies, and if they intentionally expand the range of discussion to collective self-defense rights as viewed from the theoretical point of view, then will give rise to confrontation. This may also cause the regrouping of political parties.

[YOMIURI SHIMBUN] The Social Democratic Party [SDP] seems to resist such discussions.

[Kato] I think that the SDP is currently pondering this matter. So far, it has definitely refused to join discussions, saying approaching this matter from the viewpoint of protecting Japanese people residing overseas is hawkish. Lately, however, the SDP has started talking about what it should study.

[YOMIURI SHIMBUN] How will the LDP handle emergencies in the Far East?

[Kato] There are various topics yet to be discussed. For example, if an emergency arises in the ROK, it could be regarded as linked to Japan's security, because we ought to protect Japanese residing there. From this point of view, there is the possibility that Japan would, at prior consultations with the U.S. side, approve of U.S. forces stationed in Japan deploying troops from

Japan to the Philippines and northward even if it is not directly linked to Japan's security. The question of why we should maintain peace and stability in the Far East also remains undiscussed and not clearly defined. This is a good opportunity for us to discuss those matters at the working-level.

Japan: MITI Not Considering Ending Major Bank Staff

OW2604135096 Tokyo KYODO in English
1301 GMT 26 Apr 96

[FBIS Transcribed Text] Tokyo, April 26 KYODO — The Ministry of International Trade and Industry (MITI) is not considering ending its custom of accepting transferees from major commercial banks, a senior MITI official said Friday [26 April].

"The work of the ministry is totally different from those at financial institutions, and the situation is not the same as with the Finance Ministry," the official said.

Earlier in the day Finance Minister Wataru Kubo told the Diet that his ministry will stop such practice in a bid to avert criticism over what are seen as cozy ties between the ministry and the banking industry.

The MITI official did not reveal the number of transferees the ministry has accepted so far.

Japan: Report Urges Disclosure of Administrative Information

OW2704032396 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 25 Apr 96 Morning Edition p 1

[FBIS Translated Text] Completing a draft of an outline of an information disclosure law, an administrative information disclosure panel (chaired by Reijiro Kakuda), a special group of the government's Administrative Reform Committee (chaired by Yotaro Iida), submitted an interim report to the committee on 24 April. Clearly stating that governmental organizations have obligations to disclose information, the interim report says that documents of wide ranging areas, including uncompleted documents, are subject to disclosure. However, the report stipulates six categories of information that will be excluded, including information whose disclosure is regarded as being against national interests. Moreover, an "ombudsman's office" will be formed within the Prime Minister's Official Residence to pave the way for information seekers to file complaints against decisions in favor of not disclosing information.

The panel will prepare its final report by October. After receiving the final report, the government will submit to the Diet a draft information disclosure law as early as FY97.

On the basis of the constitutional concept that sovereignty rests with the people, the draft outline clearly states that the people have the "right to demand disclosure of administrative documents." It also says that even uncompleted documents can become subject to disclosure if "they are kept by an administrative organization for the purpose of organizational use." In this way, the panel explained the possibility of plunging a scalpel into policy making processes, which are often criticized for their uncertainty.

On the other hand, the group stipulates six categories as administrative documents that the government can refuse to disclose, including 1) information about individuals not including names of corporate board members, 2) industrial information whose disclosure will be disadvantageous to company in terms of competition, and 3) information whose disclosure will damage national safety or international credence. The panel also approved that the government does not have to disclose existence of documents if admittance itself of whether or not such documents exist creates hindrances.

Since the information disclosure system determines whether or not administrative organizations should disclose their information, there is a possibility that areas where information is not disclosed may expand depending on the government's arbitrary discretion. Because of this, the decision was made to form an ombudsman's office as an organization to make decisions from a neutral stand when information seekers feel discontented with a decision not to disclose information.

Moreover, the report also says, among other things, that a decision on information disclosure should be made in less than 30 days after filing of a request for information disclosure and that fees that does not exceed actual expenses can be charged [for disclosing information]. On formation of a corporation having a special status [tokushu hojin], the report simply says: "Necessary measures will be taken to promote disclosure of information."

Japan: SDP Legislators Want New Party Before Election

OW2804093496 Tokyo KYODO in English
0925 GMT 28 Apr 96

[FBIS Transcribed Text] Tokyo, April 28 KYODO — A majority of legislators of the ruling coalition partner Social Democratic Party (SDP) responding to a recent KYODO NEWS survey advocate formation of a new party before the next general election due by summer 1997.

Almost half of the respondents also want to see a merger of their party with local parties and civic groups in an

effort to draw a line against the two biggest conservative parties — the Liberal Democratic Party (LDP), the dominant force in the current coalition, and the leading opposition Shinshinto (New Frontier Party), according to the survey released Sunday [28 April].

Out of the 99 SDP legislators, 55 responded to the survey. KYODO NEWS also surveyed the 26 legislators of New Party Sakigake [Harbinger], the smallest component in the three-party coalition, but none responded in line with a party directive to withhold comments.

The survey shows that 33 of the respondents want a new party to be formed before the next general election, which must be held by summer next year.

Eleven respondents said the new party should evolve in the course of a possible political realignment after the general election, whereas six said the new party should be set up this year regardless of when the election will take place.

Asked about the desired composition of the new party, 29 suggested a merger with local parties and civic groups, more than the 13 who hope to form a new party by uniting SDP and Sakigake members with some forces of the LDP and Shinshinto.

The survey also found that only nine of the respondents want to launch a new party combining the SDP and Sakigake alone.

On the leader of the potential new party, 15 voiced a desire for Sakigake Secretary General Yukio Hatoyama, while House of Representatives speaker Takako Doi and former Hokkaido Gov. Takahiro Yokomichi each received 12 positive responses.

Seven members called for SDP head and former Premier Tomiichi Murayama while Takemura received the backing of only one respondent.

Japan: MITI Official Cites Role of Ministry's Auxiliary Organs

OW2704044596 Tokyo MITI in Japanese 1 Mar 96
pp i-ii

[Introduction dated January 1996 by Hideji Sugiyama, director, General Affairs Division, Industrial Policy Bureau, to TSUSHOSANGYOSHO KANKEI KOEI HOJIN BENRAN 1996, a guide to MITI-Affiliated Public Service Corporations. Published by the Research Institute of International Trade and Industry under the supervision of the Ministry of International Trade and Industry]

[FBIS Excerpt] **Regarding This Publication**

At present, our nation's economy is directly facing structural problems amidst new currents of the global economy. As the global economy has entered a true period of great competition, we are now in a period when corporations are comparing economic conditions, systems, and other factors in various countries and choosing those nations with the optimal business environment. In such circumstances, the high cost structure of our nation's economy has been starkly revealed. There is a fear of "industrial hollowing out" taking place as even industries that previously enjoyed a comparatively superior position operating from Japan move operations overseas.

To find a solution to these circumstances, fundamentally revising our nation's socioeconomic system and promoting reform of our economic structure is demanded of us. As for the Ministry of International Trade and Industry [MITI], we are working to create a system and environment able to promote technological innovation and informatization, create the infrastructure for new industries, and help maintain the capital, talented personnel, and technology for new entrepreneurs while promoting deregulation. All this is to invigorate our nation's economy and society as well as to create new enterprises and industries that contribute to keeping high-quality employment opportunities.

Pain comes with reform of the economic structure. The efforts of government officials alone are not enough. Indispensable are those of the nation's people at all levels. In this regard, we would hope that the public corporations affiliated with MITI through their involvement in a broad range of activities—including the collection and provision of information on socioeconomic sectors, R&D, international contributions, and efforts to invigorate local industry—would engage in diverse operations in the interest of the general public. We hope that through these activities they can play an important role in facilitating smooth reform of the economic structure, so as to see the development in our nation of a national lifestyle of leisure and affluence and the realization of an economic society filled with dynamism and creativity.

This publication is updated each year to inform the general public regarding the goals and activities for the public good of the public service corporations affiliated with this ministry. This year, too, we are publishing this guide to include information on the groups newly formed since last year. We hope that it will contribute to making things more convenient for all Japanese and proves useful to the public service corporations in achieving their missions. [passage omitted]

Mongolia

Mongolia: Massive Fire Destroys '17 Percent' of Forests

OW2904102596 Tokyo KYODO in English
0929 GMT 29 Apr 96

[FBIS Transcribed Text] Ulan Bator, April 29 KYODO — A massive fire that is still raging has destroyed about 17 percent of Mongolia's forests and disrupted the lives of about 16 percent of the country's population, government officials said Monday [29 April].

The fire, raging at 62 forests and areas of pastureland, has destroyed 30,000 square kilometers of forests, and affected 371,400 people, they said.

Eight people have been killed and 20 injured. Some 24,000 police and military have been mobilized for firefighting and rescue operations, the officials said.

The fire has also destroyed 50,000 sq. km of pastureland, 4.2 percent of the total, and killed more than 3,000 livestock. Total damage is estimated at 1,824 million dollars.

The government is appealing for international help.

The fire has spread to the Hulunbuir League in northeast China's Inner Mongolia Autonomous Region.

North Korea

DPRK: U.S.-Japan Security Declaration Denounced

SK2704085396 Pyongyang KCNA in English
0844 GMT 27 Apr 96

["NODONG SINMUN on 'Japan-U.S. Joint Declaration on Security'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 27 (KCNA) — The "Japan-U.S. Joint Declaration on Security" issued on April 17 is an aggressive and dominationist criminal document and a dangerous military move aimed at reviving the structure of the Cold War for confrontation in the Asia-Pacific region, says NODONG SINMUN today.

The signed article captioned "Aggressive and Dominationist Joint Document" lays bare the dangerous nature of the "declaration."

It further says:

The top leaders of the U.S. and Japan described the "declaration" as "extremely important" for regional "stability" and "peace and prosperity" in the Asia-Pacific region and as one of the greatest successes gained by the U.S. and Japan in security after the Cold War. This is

meant to cover up the aggressive and dangerous nature of the document.

The U.S. and Japan have replaced the former Soviet Union with the DPRK and other Asian countries as the target of the "Japan-U.S. Security Treaty".

The "declaration" is the most dangerous one which makes it possible to send the U.S. forces present in Japan and Japan's "Self- Defence Forces" to any place.

If peace and stability are to be guaranteed in the Asia-Pacific region, it is necessary to remove such a legacy of the Cold War as the "Japan-U.S. Security Treaty" and clear the region of all aggression forces and facilities.

DPRK: Japan Warned Against Becoming Military Power

SK2804080096 *Pyongyang KCNA in English*
0757 GMT 28 Apr 96

["Reckless Ambition for Military Expansion" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 28 (KCNA) — MINJU CHOSON today warns that if the Japanese reactionaries try to become a military power and realise their wild ambition for overseas expansion, it will only lead Japan to a hopeless quagmire of destruction.

The paper says in a signed article:

On April 18, Japan upgraded the "study" of Japan-U.S. joint operations to a "program" as part of the revision and examination of the "guidelines for Japan-U.S. cooperation in defence."

A sinister intention is lurking behind the Japanese reactionaries' effort to tighten military collusion with the United States on the pretext of "case of emergency" on the Korean peninsula.

Through "intensified relations of military cooperation" with the United States, they plan to accelerate arms buildup, hold the position of a military power, join in the U.S. acts for war, invade Korea and use it as a springboard in realising their ambition for domination over Asia.

Their attempt is anachronistic.

They must clearly see the trend of the times and immediately stop their reckless effort for becoming a military power and realising overseas expansion.

DPRK: U.S. Said 'Secretly' Planning To Divide Balkan Peninsula

SK2704132996 *Pyongyang Korean Central Broadcasting Network in Korean*
1200 GMT 27 Apr 96

[FBIS Translated Text] According to reports, the United States has secretly mapped out a plan to divide the Balkan peninsula in a bid to expand its influence on the peninsula, and is now proceeding with the plan.

Reporting this, the Greek paper (EPEN DIPIS) revealed that this plan, worked out by a brain trust of the U.S. Defense and State Departments, is aimed at dividing the Balkan peninsula into north and south, placing half under U.S. control and the other half under the European Community.

According to the plan, Western countries, including the United States, are supposed to control the Balkan peninsula; Russia is excluded from the list of countries involved. Foreign media commented that this will arouse strong opposition from Russia.

The United States is trying to realize this plan by weakening the role of Greece and strengthening the role of Turkey, and by guaranteeing its own economic interests to the utmost in this region. The United States and Turkish Governments have reportedly recently exchanged secret documents on a detailed activity plan for Turkey.

DPRK: Report on Anti-U.S. Demonstrations in ROK

SK2904044996 *Pyongyang KCNA in English*
0323 GMT 29 Apr 96

[FBIS Transcribed Text] Pyongyang, April 29 (KCNA) — Farmers and students held demonstrations in Seoul and Taejon Saturday in demand of the withdrawal of U.S. troops, a foreign news report said.

About 100 farmers held a rally in front of a U.S. military base in Seoul to protest against the recent brush fire at a U.S. Army target range that killed several inhabitants, shouting "Yankee go home".

The protesters also shouted "U.S. military, move out" and "compensate", waving pickets and shaking clenched fists in the air, and were thronging into the main gates.

In another development, 600 students in Taejon held a rally to protest the crime of the U.S. troops present in South Korea and strongly demanded the withdrawal of the troops, which are increasing tensions by staging war exercises.

The students continued their protest, hurling firebombs at the attacking riot police.

DPRK: U.S. Spreading Rumors About 'Crisis' on Korean Peninsula

*SK2904090696 Pyongyang KCNA in English
0815 GMT 29 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 29 (KCNA) — The United States is talking about "countermeasure", persistently spreading the rumour about "crisis" on the Korean Peninsula, according to a news report from Washington.

Referring to a planned consultation to review the "Japan-U.S. defense guideline" as part of it, a U.S. Defense Department official said Friday that the U.S. wants to explore with Japan conducting joint aircraft operations to rescue the two nations' civilian refugees in "case of a crisis" on the Korean Peninsula.

"The question of the joint air rescue operations is one of the questions that we'll want to look at, and we have just now decided that that is one of the important questions," the official said.

He said that in the consultation the U.S. is considering the use of Japanese civil airports and other facilities and Japan's provision of food, water, fuel and other supplies.

DPRK: Arrival of KEDO Survey Team in Pyongyang Reported

*SK2704142196 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 27 Apr 96*

[FBIS Translated Text] The fifth KEDO [Korean Peninsula Energy Development Organization] site-survey team led by the United States of America for the construction of light-water reactors, which is in accordance with the implementation of the DPRK-U.S. agreed framework, arrived in Pyongyang on 27 April.

DPRK: Foreign Media Reports on Spokesman's Remarks

*SK2704110496 Pyongyang KCNA in English
1101 GMT 27 Apr 96*

["Foreign Media Report DPRK Foreign Ministry Spokesman's Interview With KCNA" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 27 (KCNA) — Foreign media gave wide publicity to the DPRK Foreign Ministry spokesman's April 18 interview with KCNA about U.S. President Clinton's proposal relating to the Korean peninsula.

XINHUA quoted the spokesman as telling KCNA:

"As for the matter of preserving peace on the Korean peninsula, it should be discussed and decided on by the DPRK and the United States, signatories to the Armistice Agreement.

"As is known to all, the North and the South of Korea have already agreed on nonaggression, reconciliation and cooperation.

"We are now examining the proposal of the U.S. side to see whether it seeks another purpose and whether it is feasible."

ITAR-TASS quoted the spokesman as saying:

"We are not yet certain whether the 'proposal for quadrilateral talks' is aimed at concluding a genuine peace agreement between the signatories to the Korean Armistice Agreement."

AP quoted the spokesman as saying among other things:

"We have no clear notion of why the U.S. side... abruptly proposed 'quadrilateral talks.'"

"We are now examining the proposal of the U.S. side to see whether it seeks another purpose and whether it is feasible.

"At this moment, we can comment no more."

NHK quoted the spokesman as saying:

"As for the matter of preserving peace on the Korean peninsula, it should be discussed and decided on by the DPRK and the United States, signatories to the Armistice Agreement.

"We are now examining the proposal of the U.S. side to see whether it seeks another purpose and whether it is feasible."

REUTERS, BBC, Voice of America, KYODO news, the German paper FRANKFURTER ALLGEMEINE and DIE WELT, the Laotian paper PASASON and many other media around the world reported the gist of the interview, with stress laid on the above-said points.

DPRK: PRC Foreign Ministry Remarks on Talks Proposal

*SK2704110996 Pyongyang KCNA in English
1103 GMT 27 Apr 96*

["China Refers to Clinton's Proposal" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 27 (KCNA) — Qian Qichen, foreign minister of China, in a press conference on April 19 reportedly referred to the

"quadrilateral talks" proposal of U.S. President Bill Clinton concerning the Korean peninsula.

He said that Clinton's proposal should be agreed upon by all parties concerned, in particular, by the direct parties concerned.

Shen Guofang, spokesman for the Foreign Ministry of China, in a weekly news briefing on April 18 said:

"We understand the desire of the parties concerned including the Democratic People's Republic of Korea (DPRK) for the establishment of a peace mechanism of the Korean peninsula.

"In our view, it would serve peace and stability in the peninsula if the existing Armistice Agreement would be replaced by a peace mechanism in keeping with the development of situation."

DPRK: Proposal for Peace on Korean Peninsula Viewed

SK2804080696 *Pyongyang KCNA in English*
0800 GMT 28 Apr 96

["Initiative for Lasting Peace on Korean Peninsula" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 28 (KCNA) — NODONG SINMUN today carries an article contributed by Dr. Pak Tong-chin two years since the DPRK Government made an epoch-making proposal for replacing the old armistice system with a new peace mechanism.

The author says it is the DPRK's invariable position to remove tension and danger of war and achieve a lasting peace on the Korean peninsula.

He provides details about the destruction and violation of the Armistice Agreement and armistice watch bodies on the part of the United States.

He continues:

The DPRK proposed to conclude a tentative agreement which will replace the Armistice Agreement till a complete peace agreement has been signed. This is a most reasonable and realistic proposal in view of the present situation on the Korean peninsula and the present level of DPRK-U.S. relations.

The DPRK and the United States are directly responsible for preventing the recurrence of war and preserving peace on the Korean peninsula. It is the United States that signed the Korean Armistice Agreement and holds real powers in the matter of security in South Korea. Accordingly, the new peace mechanism should be established by the DPRK and the United States. Anyone else cannot take their place.

DPRK: Pomchonghangnyon Denounces Death of ROK Students

SK2704034796 *Pyongyang KCNA in English*
0327 GMT 27 Apr 96

[FBIS Transcribed Text] Pyongyang, April 27 (KCNA) — The North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) made public a statement on April 26 condemning the Kim Yong-sam group for unprecedented fascist crackdown which caused tragic deaths of South Korean students.

Five university students were murdered by man-killers in South Korea in less than one month. They are No Susok of Yonsei University, Kwon Hui-chong of Sungshin Women's University, Chin Chol-won of Kyongwon University, O Yong-kwon of Yosu Fisheries College and Hwang Hye-in of Sungkyunkwan University.

The statement branded the fascist crackdown by the Kim Yong-sam group as a vicious challenge to the South Korean students and people who have risen in a struggle for independence, democracy and reunification and as a gangster-like act of moral-depraved men who have no elementary conscience as human beings.

The North side headquarters of Pomchonghangnyon solemnly declares that it will always actively support and encourage the anti- American, anti-Kim Yong-sam struggle of South Korean students and, along with the South Korean Federation of University Student Councils (Hanchongnyon), an invincible patriotic organisation, tirelessly develop it into the struggle for national reunification as desired by the martyrs, the statement stressed.

DPRK Daily Criticizes 'Suppression' of ROK Student Activities

SK2704041196 *Pyongyang KCNA in English*
0334 GMT 27 Apr 96

["Fascist Clique Hit for Suppression of Chuche Idea Followers" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 27 (KCNA) — The Kim Yong-sam fascist clique's recent suppression of the activities of some university student councils, including that of Sogang University, to study and disseminate the chuche idea is an unpardonable crackdown upon ideology, which can be committed only by the sword-brandishing dictators, says NODONG SINMUN in a signed commentary today.

The study and dissemination of the chuche idea by South Korean patriotic-minded youths and students, sensitive to the new and steadfast in justice, are quite

natural and they cannot be a target of brutal suppression in any case, the analyst says, and continues:

The traitorous Kim Yong-sam clique try to find a way out of the serious crisis in more zealously resorting to anti-DPRK confrontation, war gamble against the North and in intensifying fascist suppression of the people. The puppets are running amuck to prevent the spread of the great *chuche* idea and repress and wipe out its followers.

Advanced idea cannot be blocked by bayonet. Their brutal suppression of idea increases the political awakening and protest of the South Korean students and people.

The South Korean puppets should know that the more brutal their suppression of ideology is, the firmer the will of the South Korean students and people to live and fight as indicated by the *chuche* idea becomes and the earlier their ignominious destruction comes.

DPRK: Report on 26 Apr ROK Students Rally

*SK2904044696 Pyongyang KCNA in English
0321 GMT 29 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 29 (KCNA) — An estimated 500 students under the Seoul District Federation of University Student Councils on Friday strongly urged the opening to the public of the traitor Kim Yong-sam's "presidential election" fund as well as the punishment of murderers, according to a radio report from Seoul.

The students held a rally at Myongji University, at which they condemned the traitor's murder of fellow student No Su-sok and demanded an immediate opening to the public of the "presidential election" fund.

Before the rally they held a memorial service for student Kang Kyong-tae five years since he was murdered by the fascist clique's repression while in an anti-"government" demonstration.

DPRK: ROK 'Suppression' of Labor Movement Denounced

*SK2704090296 Pyongyang KCNA in English
0856 GMT 27 Apr 96*

["NODONG SINMUN on Suppression of Labor Movement in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 27 (KCNA) — Harsh violations of human rights of workers in South Korea were included in the "Annual Report on Human Rights in the World" released by the U.S. State Department some time ago. This is a scathing indictment against the unpopular labor policy of the Kim Yong-sam group, says NODONG SINMUN today.

The South Korean puppets arrested Kwon Yong-kil, chairman of the General Federation of Democratic Trade Unions, for the mere reason that he spoke for the rights and interests of workers. This is a graphic expression of the reactionary labor policy in South Korea, a by-lined article of the paper notes, and continues:

Public circles of South Korea, international human rights organisations and international labor organisations bitterly denounced the fascist clique's arrest of Kwon Yong-kil and strongly called for his immediate release.

The Kim Yong-sam group, however, still keep him behind bars on charges of violating the unprecedentedly vicious "Labor Law," which prohibits "plural labor unions" and "intervention of a third party."

This is an intolerable challenge to the South Korean workers, who call for democratic liberties and vital rights.

The Kim Yong-sam group's crackdown on the General Federation of Democratic Trade Unions is aimed at preventing the South Korean workers from an organised solidarity and struggle.

DPRK: ROK's Labor-Management Relations Condemned

*SK2804080296 Pyongyang KCNA in English
0754 GMT 28 Apr 96*

["Deceptive Drama of Traitor" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 28 (KCNA) — NODONG SINMUN today brands the traitor Kim Yong-sam's "idea of new labor-management relations" as a brigandish sermon urging the workers not to fight but meekly obey the employers and accept their demand for "share of sufferings."

The news analyst says:

This is an intolerable mockery of the South Korean workers, who call for vital rights and democratic liberties. It was motivated by a crafty scheme to fundamentally suppress and obliterate the labor movement with the noose of "labor-management cooperation."

Asking the exploiter and the exploited to live in harmony in "relations of companions" is as good as wishing the wolf and the sheep to live in harmony in a shed.

It does not make sense that the "welfare" problem of the working people is solved with the corrupt and ailing socio-political system of South Korea, a complex of power abuse, money and swindle, left alone.

It is outrageous and shameless of the Kim Yong-sam group, the mastermind of corruption and irregularities, to talk about "promotion of the welfare" of the working people.

Struggle is the only way out for the workers.

DPRK Daily Criticizes ROK Plans To Build Military Drill Ground

SK2904034996 *Pyongyang KCNA in English*
0336 GMT 29 Apr 96

["Warmaniacs Hell-bent on War Preparations Against North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 29 (KCNA) — The Kim Yong-sam group decided to build a military drill ground in South Korean Kangwon Province at the cost of more than 230 billion won.

NODONG SINMUN today, commenting on this, says that the project, which has been planned at a time when all the fellow countrymen are earnestly longing for peace of the country and its peaceful reunification, is aimed at igniting a war against the North.

The analyst further says:

The South Korean puppets intend to stage a test war in the planned military drill ground and develop it into a real war against the fellow countrymen. The Kim Yong-sam group consists of arch traitors and bellicose elements. They are hell-bent on preparations for a reckless war, trying to shift onto the North the responsibility for the hair-trigger situation prevailing in the Korean peninsula with their aggravation of the military tension between the North and the South.

For the provocation of a fratricidal war the Kim Yong-sam group are squandering an astronomical amount of money gained at the cost of blood and sweat of the people. This thrice-cursed crime can never be pardoned.

DPRK Ministry Memorandum on Biased UN Yearbook

SK2704070996 *Pyongyang Korean Central Broadcasting Network in Korean*
0600 GMT 24 Apr 96

["Memorandum" (pimanggi) issued by the DPRK Foreign Ministry on 10 April; place not given: "The United Nations Should Liquidate Its Disgraceful Past Regarding the Korean Question as Soon as Possible"]

[FBIS Translated Text] The United Nations is at a historic time to explore in which direction it will go in the post-Cold War period. In order for the United Nations to decide on the direction and methods to cope with the challenge it will face in the future, it should not

turn away from the reality that the Cold War continues on the Korean peninsula alone, and it is important to properly sum up its past connected with the Korean question.

The Korean question involves essentially the reunification of Korea and the issue of ensuring peace on the Korean peninsula.

It is a bias lacking impartiality and objectivity that the UN Yearbook (Special Edition) recently edited by the UN Secretariat, recalling five decades of the UN activities, described the election staged in South Korea under the UN supervision in 1948 and the military actions taken by the United Nations against the DPRK in 1950 as UN achievements.

The DPRK Foreign Ministry issues a memorandum to help clarify such bias.

1. The United Nations and the Division of Korea.

The United Nations was abused in dividing Korea. The Korean nation is a single nation which has lived in one land with one language for over 5,000 years. Moreover, Korea is not a nation defeated in World War II.

Korea was included in the Allied Forces' operational area in the final stage of World War II for the reason that it was a Japanese imperialists' colony, and the United States persuaded the then Soviet side that the U.S. Army should participate in disarming the Japanese Army stationed in Korea. Therefore, Korea was divided temporarily between the 38 degrees North Latitude, designating the North as an area the Soviet Army was responsible for and the South as an area the U.S. Army was responsible for.

In December 1945, after the Japanese imperialists fell, the three-country ministerial talks— including the Soviet Union, the United States, and Britain— held in Moscow adopted a decision that a joint committee would be formed by the delegate of the U.S. Forces Command in the South of Korea and the delegate of the Soviet Forces Command in the North of Korea to help establish a democratic Korean provisional government.

However, the United States insisted that a provisional legislative body be formed each in the North and South of Korea and frustrated the work of the Soviet-U.S. joint committee and unilaterally referred the matter to the United Nations, which was under its influence then, irrespective of the Korean people's will to establish a unified government for themselves.

The UN General Assembly, led by the United States, put the problem of the Korean independence on the agenda at its second session in 1947 and adopted Resolution

112 (II) calling for elections under the supervision of the UN Temporary Commission on Korea.

According to this resolution, Lieutenant General John Hodge, commander of the U.S. Forces in the South of Korea, issued a decree on holding elections in the area under the jurisdiction of his command on 1 March 1948, and a separate election was forced on 10 May 1948 in the area South of the 38th parallel to install a pro- U.S. separatist regime.

Thus, the fact that the UN General Assembly, which was supposed to deliberate only the matters connected to the maintenance of international peace and security, dealt with the issue of independence of a country and that even if the UN General Assembly regarded the Korean question in those days as an issue connected with the maintenance of international peace and security, it did not refer the matter to the UN Security Council before or after the deliberation was the violation of Article 10 and 11 of the UN Charter governing the function of the General Assembly.

General elections were held in August that year under the true will of the Korean people with the participation of 85.2 percent of the entire Korean voters (99.97 per cent in North Korea and 77.52 percent in South Korea), which resulted in the founding of the DPRK on September 9, 1948. However, the United States engineered the adoption of Resolution 135 (III) by the UN General Assembly at its third session in December the same year, declaring that the Republic of Korea had the jurisdiction over the area South of the 38th parallel in which the separate election was held.

Thus, the Korean division was fixed with the help of the United Nations, and the tragic history of national division began.

2. The United Nations and the Korean War

The United Nations was unjustly used in touching off the Korean war. The nation's forced division has brought the aggravation of tensions and conflicts. The military provocations and armed aggressions of various sorts against the area north of the 38th parallel, which began in 1947, were perpetrated on 2,617 occasions in 1949.

Paragraph One of Article One of Chapter One of the UN Charter, which stipulates the need to coordinate incidents that may break peace, could not be applied to the Korean peninsula, because of the UN's leaning to the United States and the paralysis of the functions of the UN Security Council by its permanent members' vetoes at that time. Then, the representative from the Soviet Union, a permanent member, boycotted a UN Security Council session on 13 January 1950 because of

the issue concerning the representation of the Republic of China, and, as a result, the Soviet veto power was left in the vacuum until the end of July that year.

An all-out war was provoked at such a time, and this issue was brought to the UN Security Council, according to a previously mapped out scenario. This cannot be interpreted otherwise.

The Security Council met to discuss the item — which was brought all of a sudden by the United States on 25 June — and adopted Resolution 82, 1950, determining that the Korean war was caused by the armed attack of North Korean forces.

On the same item, two days later, on 27 June, the Security Council adopted Resolution 83, 1950, persuading UN members to take urgent military measures. And, 10 days later, on 7 July, it adopted Resolution 84, 1950, making the UN members' forces available to a unified command under the United States, recommending the United States to designate the commander of such forces, and authorizing the unified command to use the UN flag.

Paragraph Three of Article 27 of the charter stipulates that all UN Security Council decisions on issues other than procedural matters shall require voting by all permanent members for their approval. Any decision adopted without the participation of the Soviet Union, a permanent member, cannot be interpreted as approved by voting.

Moreover, even without inviting the party concerned to discussions on the issue, the UN Security Council hastily adopted these resolutions one after another. This is a violation of Article 39 of the council's temporary regulation on procedures and a premeditated action.

The steps which the United Nations unjustly took under the U.S. strong-arm pressure did not help halt the conflict and restore the peace but instead brought on the most disastrous all-out war between the United States and the DPRK that lasted for three years, and thereafter was followed by the world record of a 43 year-long touch- and-go state of armistice in the absence of any forthcoming assurance for peace.

The UN Yearbook keeps silent about this, which raises doubts about the fairness and impartiality of the United Nations.

3. The United Nations and the UN Command

The United Nations is still today being abused for sustaining the Cold War on the Korean peninsula — The UN Yearbook, special edition.

The UN Yearbook keeps silent about the fact that the UN Command still exists in South Korea, as well.

The UN Command is a military organization that the United States formed in July 1950 with forces of the 15 UN member countries which were sent to the Korean war according to UN Security Council Resolution 84, 1950. Also, it is a party that signed the Korean Armistice Agreement with the Korean People's Army and the Chinese People's Volunteers, from the other warring side, on 27 July 1953.

However, the UN Command is a mere bogus instrument that, while virtually existing outside the United Nations, only camouflages the real nature of the conflicts.

On 31 January 1951, the UN Security Council adopted Resolution 90, 1951, deleting the item on the Korean war — which had been presented on 25 June 1950 — from the agenda of the council.

Generally speaking, the UN Security Council does not delete an item from its agenda as long as its action with regard to the item is unfinished.

The United Nations does not finance the UN Command.

On 18 November 1975, the 30th United Nations General Assembly adopted Resolution 3390-B, stressing the need to disband the UN Command and withdraw all foreign forces stationed in South Korea under the United Nations flag.

As for the jurisdiction over the UN Command, in his letter to the DPRK foreign minister dated 24 June 1994, the United Nations secretary general says: I think neither I nor any major UN organization can decide on the continued existence or disbandment of the UN Command. According to Paragraph Three of UN Security Council Resolution 84 dated 7 July 1950, in recommending the establishment of the UN Command, the UN Security Council made it clear that the command is an organization under the jurisdiction of the United States, not an auxiliary organization under the control of the UN Security Council. Therefore, disbanding the UN Command is not the responsibility of any UN agency but the right of the U.S. Government.

The existence of the UN Command is a legal obstacle to turning the current armistice into a stable peace and bringing an end to the Cold War.

This proves that the real parties to the Korean Armistice Agreement are the DPRK and the United States, even though the legal parties to the agreement are the DPRK-China side and the UN Command.

The U.S. Government appoints the commander in chief of the UN Command, and so far, all commanders in chief have been U.S. soldiers. The commander in chief

of the UN Command also has traditionally served as commander in chief of the U.S.-South Korea Combined Forces Command, which has operational control over the U.S. forces in South Korea and the South Korean forces.

Also, it is the DPRK and the United States of America that have directly administered the armistice arrangement.

No forces from the UN member countries other than the U.S. forces have belonged to the UN Command since 1958. And, the Chinese People's Volunteers of the DPRK-China side had already been withdrawn completely before that.

As the U.S. Government stated in its letter to the UN Security Council on 22 September 1975, at that time, the UN Command was reduced to a symbolic organization composed of less than 300 staff officers and honor guards and, in reality, played the role of lending the UN hat and flag to the commander in chief of the U.S.-South Korea Combined Forces Command.

At that time, South Korea was neither a member of the United Nations nor a party to the Korean Armistice Agreement.

The South Korean authorities opposed armistice to the end, and the South Korean military did not sign the Armistice Agreement. Moreover, the South Korean authorities have failed to regain the control over their military of which the United States deprived them in July 1950.

Consequently, either from the legal point of view or in terms of the responsibility and competence [of the Armistice Agreement], it becomes clear after all that the real party to the Korean Armistice Agreement is the U.S. Government. However, this U.S. responsibility is being covered up by the signboard of the UN Command and the UN flag.

4. The Choice of the United Nations

Now, the United Nations begins to realize its unsavory past of having been misused in the Korean question.

On 11 May 1993, when DPRK-U.S. tensions were aggravated with regard to the nuclear problem, some anti-Republic forces brought this problem to the UN Security Council, again. If the United Nations unilaterally had sought to impose sanctions on the DPRK as it had done, this would have touched off another Korean war, and there would not have been such a peaceful solution as the one with which the Security Council expressed satisfaction on 4 November 1994.

The very fact that only the DPRK-U.S. talks produced such a satisfactory solution to the nuclear problem on the Korean peninsula clearly shows the choice the United Nations should make.

Just like it recommended the establishment of the UN Command to the United States back in 1950, the United Nations may recommend its disbandment or at least keep its name and flag from being misused by the United States in order to help the United States fulfill its responsibilities and role in ensuring peace on the Korean peninsula. This is the right way and a proper deed for the United Nations to contribute to peace in the Korean peninsula.

As part of its consistent efforts to ensure peace on the Korean peninsula, the DPRK again recently advanced a new proposal for signing an interim agreement and is awaiting a U.S. response.

[Dated] 10 April 1996

DPRK: Kim Yong-nam Departs for Visit to Middle East, Colombia

SK2704091496 *Pyongyang KCNA in English*
0857 GMT 27 Apr 96

[FBIS Transcribed Text] Pyongyang, April 27 (KCNA) — Vice-Premier and Foreign Minister Kim Yong-nam and his party left here today for a visit to countries in the Middle East and for the participation in a ministerial committee conference of the non-aligned countries to be held in Colombia.

They were seen off at the airport by Kang Sok-chu, first vice-minister of foreign affairs, and diplomatic envoys of China, Libya, Algeria and Syria here.

DPRK: German Parliamentary Delegation Arrives in Pyongyang

SK2704112096 *Pyongyang KCNA in English*
1055 GMT 27 Apr 96

[FBIS Transcribed Text] Pyongyang, April 27 (KCNA) — Erich Riedl [spelling of name as received], member of the Federal Parliament of Germany, and his party arrived in Pyongyang on April 27.

They were met at the airport by Vice-Minister of Foreign Affairs Kim Chang-yong and Wilhelm Strohe, acting head of the German Interests Section here.

DPRK: Swiss Delegation Visits Kim Il-sung Statue

SK2904044096 *Pyongyang KCNA in English*
0319 GMT 29 Apr 96

[FBIS Transcribed Text] Pyongyang, April 29 (KCNA) — A delegation of the Federal Department of Foreign

Affairs of Switzerland led by Heinrich Reimann [name as received], vice-director of its political direction, laid a floral basket before the statue of the great leader President Kim Il-sung on Mansu Hill Sunday.

DPRK: Kang Sok-chu Meets With German Parliamentary Delegation

SK2904044496 *Pyongyang KCNA in English*
0319 GMT 29 Apr 96

[FBIS Transcribed Text] Pyongyang, April 29 (KCNA) — Kang Sok-chu, first vice-minister of foreign affairs, on Sunday met and had a friendly talk with Erich Riedl [name as received], member of the federal parliament of Germany, and his party.

DPRK: Leaders Visit Units To Mark Founding Anniversary of KPA

SK2704142396

[FBIS Report] The following is a compilation of reports on people's delegations led by party and government cadres that visited units of the Korean People's Army [KPA] to mark the 64th anniversary of the founding of the KPA.

At 2100 GMT on 24 April, Pyongyang Korean Central Broadcasting Network in Korean carried a four-minute report on a central report meeting marking the 64th anniversary of the founding of the KPA which was held at the 25 April House of Culture on 24 April. The radio reported that present at the central report meeting were "Comrade Yi Chong-ok, Vice President Kim Pyong-sik, Comrade Choe Kwang, Comrade Kim Yong-nam, Comrade Kye Ung-tae, Comrade Chon Pyong-ho, Comrade Kim Chol-man, Comrade Choe Tae-pok, Comrade Hong Song-nam, Comrade Cho Myong-nok, Comrade Kim Yong-chun, Comrade Kim Kwang-chin, Comrade Paek Hak-nim, Comrade Yi Ha-il, Comrade Kim Ik-hyon, Comrade Kim Ki-nam, Comrade Kim Yong-sun, Comrade Chang Chol, Comrade Yun Ki-pok, Comrade Chon Mun-sop, and Ms. Yu Mi-yong."

Following this report, Pyongyang Central Radio carried a three-minute report on a soiree of the Ministry of the People's Armed Forces held at the War Victory Plaza on 24 April on the occasion of the KPA's founding anniversary. The radio reported that "Comrade Cho Myong-nok, KPA vice marshal and director of the General Political Department of the KPA; Comrade Kim Yong-chun, KPA vice marshal and chief of the General Staff of the KPA; Comrade Kim Kwang-chin, KPA vice marshal and first vice minister of the people's armed forces"; and other unidentified military leaders participated in the soiree.

At 1200 GMT on 25 April, Pyongyang Central Radio carried a two- minute report stating that senior party and state officials laid wreaths at the monument to the victory in the fatherland liberation war on 25 April. The report stated that Comrades Kim Yong-nam, Chon Pyong-ho, Kim Ik-hyon, and Chang Chol were present at the wreath- laying ceremony.

At 1100 GMT on 25 April, Pyongyang Korean Central Television Network in Korean carried a 21-minute report on senior party and state officials and people's delegations visiting the units of the KPA and the Korean People's Security Forces on the KPA's founding anniversary. The television reported without titles that So Yun- sok, Kim Chol-man, Hong Song-nam, Chang Chol, and Yun Ki-pok visited these units.

At 0900 GMT on 26 April, Pyongyang Central Radio carried a 35- minute report stating that people's delegations led by senior party and state officials visited KPA units. The radio stated "Comrade Yang Hyong-sop, candidate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Council; Comrade Hong Sok-hyong, candidate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Committee; Comrade Hwang Chang-yop, secretary of the WPK Central Committee; and Comrade Kim Chung-nin, secretary of the WPK Central Committee," led the people's delegations.

Pyongyang Central Radio at 1100 GMT on 25 April carried a 20- minute report on the people's delegation led by Comrade Kim Chol- man, alternate member of the Political Bureau of the Workers Party of Korea [WPK], who visited the Kumsong Royal Guard Unit affiliated to the KPA unit where Comrade Kim Chae-tok belongs, and which was awarded the Kim Il-song medal. It also reported that members of the people's delegation led by Comrade Chon Mun-sop, chairman of the State Inspection Committee of the Central People's Committee, visited the KPA unit where Comrade Yo Ung-chun belongs.

Pyongyang Central Radio at 0700 GMT on 26 April carried a 33- minute report on officers and men of the People's Army affiliated with the KPA unit where Comrade Kim Yong-nam belongs— significantly celebrating the 64th anniversary of the founding of the KPA. The report stated the people's delegation led by Comrade Pak Song-chol, member of the Political Bureau of the WPK Central Committee and vice president, visited this unit, and congratulated and encouraged the soldiers. The report noted that the people's delegation led by Comrade Han Song-yong, member of the Political Bureau of the WPK Central Committee and secretary of the party

Central Committee, visited the KPA unit where Comrade Choe Chong-un belongs. The report continued to note that members of the people's delegation led by Comrade Choe Yong-nim, alternate member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council, visited the KPA unit where Kim Ki-man belongs.

Pyongyang Central Radio at 0900 GMT on 26 April carried a 35- minute report that the people's delegation led by Comrade Yang Hyong-sop, alternate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly, visited the KPA unit where Comrade Kim Yong-chol belongs. The report stated that members of the people's delegation led by Comrade Hong Sok-hyong, alternate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Committee, visited the KPA unit where Comrade Hwang Yong-il belongs. The report continued to note that members of the people's delegation led by Comrade Hwang Chang-yop, secretary of the WPK Central Committee, visited the KPA unit where Comrade Choe Tok-kun belongs. It also stated that members of the people's delegation led by Comrade Kim Chung-nin, secretary of the WPK Central Committee, visited the KPA unit where Comrade Chon Chung-nyon belongs.

Pyongyang Central Radio at 1120 GMT on 26 April carried a 25- minute report on the people's delegation led by Comrade Yon Hyong- muk, alternate member of the Political Bureau of the WPK Central Committee, responsible secretary of Chaggang Provincial Party Committee, and chairman of the People's Committee of Chaggang Province, visiting the KPA unit where Comrade Kim Kyu-myong belongs. The report then noted that members of the people's delegation led by So Kwan-hui, secretary of the WPK Central Committee, visited the KPA frontline unit where Comrade Kim Kye-yang belongs. The report continued to note that members of the people's delegation led by Kim Pok-sin, vice premier of the Administration Council, visited the unit where Comrade Yi Ho belongs.

DPRK: KPA Anniversary Marked

*SK2604140096 Pyongyang Korean Central
Broadcasting Network in Korean
2300 GMT 24 Apr 96*

[Editorial from 25 April NODONG SINMUN: "The Korean People's Army Is an Invincible and Ever-Victorious Powerful Army"]

[FBIS Translated Text] Our People's Army is an invincible, ever- victorious, powerful army led by the great brilliant commander.

Resolutely crushing the enemy's challenge and winning every battle is the Korean People's Army's [KPA] honorable tradition.

We meaningfully mark the 64th anniversary of the founding of the heroic KPA at a time when our revolutionary Armed Forces are vigorously displaying their invincible might under the leadership of Comrade Kim Chong-il, the respected and beloved supreme commander.

The DPRK Central People's Committee has issued a decree designating the anniversary of the founding of the KPA as a festive national day. This boundlessly excites the hearts of the soldiers of our People's Army and the people.

The situation in our revolution today is very difficult and complicated. Marking the day of the founding of the army, all officers and men of the People's Army are filled with a firm resolve to more strongly unite around Comrade Kim Chong-il, the respected and beloved supreme commander; to resolutely crush the enemy's aggression maneuvers; and to protect and defend the chuche revolutionary cause with the force of arms.

The KPA is the army of the leader [suryong] and the party, which has inherited the honorable revolutionary tradition.

The KPA was founded in the forests of Paektu 64 years ago. This was the birth of a genuine revolutionary army that defended the leader's [suryong] cause with the force of arms.

As a result of the founding of the KPA, our people were able to have a genuine revolutionary army of their own for the first time in history, and to victoriously wage the struggle for the independence of the fatherland and the people's liberation at a new and higher stage.

The invincible might and bright future of our People's Army, which has strengthened and developed into an honorable army of the party, and the boundless vitality of our own style of socialism, are linked to the historic day of 25 April when the first shots were fired in the forests of Paektu.

The great leader Comrade Kim Il-song earlier founded the KPA and led it along a single victorious and honorable road. This is his immortal accomplishment.

Whenever we look back on the honorable road of our revolutionary armed forces, we keenly realize the hard work and wise leadership of the great leader Comrade Kim Il-song, and harden our firm resolve to further strengthen and develop the People's Army, the leader's greatest revolutionary inheritance.

Since it was founded, the KPA has excellently fulfilled its mission and duty as the defender of the fatherland, the creator of happiness for the people, and the core unit of the revolution. The 60-odd years of our People's Army are a proud course in which it has been endlessly strengthened and developed as the leader's [suryong] army.

The great leader [widaehan yongdoja] Comrade Kim Chong-il has pointed out: Our People's Army is the army of the great leader Comrade Kim Il-song and the party.

An army of the working class is, in essence, the leader's [suryong] army. Our People's Army is an honorable revolutionary army that, from the first day of its founding, considered the great leader Comrade Kim Il-song's revolutionary ideology to be its sole guiding principle and that won every battle under the leader's [suryongnim] outstanding leadership.

The great leader's [widaehan suryongnim] military strategy and ideology were a basic foundation for our army building and the activities of our People's Army; the leader's [suryongnim] chuche-type art of military operations was a source of our army's invincibility; and the leader's [suryongnim] absolute authority and stately appearance were the symbols of our army's dignity.

The character of our People's Army as the army of the great leader Comrade Kim Il-song remained unchanged. Because of this, our People's Army was always resolute and thorough in defending the leader's [suryongnim] cause, displaying its pride as an invincible strong army.

The great leader Comrade Kim Il-song, the creator and builder of the People's Army, was the most prominent military genius and legendary hero of the 20th century. Highly upholding the leadership of the respected and beloved leader Comrade Kim Il-song, our People's Army won a great victory in the anti-Japanese war and achieved the historic cause of national liberation. It also defeated the U.S. imperialists in the fatherland liberation war, thus firmly defending the fatherland's sovereignty and pride. At the end of the war, the People's Army impregably defended the gains of socialism while smashing the endless challenges and interruption maneuvers of the imperialists.

These were military miracles, a feat of great significance in the nation's history which could only be achieved by our army, which bears resemblance to the great leader Comrade Kim Il-song.

Until the last moment of his revolutionary life, the great leader [widaehan suryongnim] drew keen attention to the development and strengthening of the People's Army. The great leader [widaehan suryong] saw to

it to make our revolutionary armed forces uphold a great commander as the supreme commander and to succeed the cause of chuche-oriented army building through generations. It was the greatest army-building achievement of the great leader [widaehan yongdoja].

Even today, the great leader [widaehan suryong] is with the officers and men of the People's Army, and his history of army building continues to succeed. The revolutionary character of the KPA as the army of the great leader Comrade Kim Il-song will remain invariable in the future.

Today's KPA is a dignified and strong revolutionary army that upholds at its forefront the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji], the ever-victorious and iron-willed brilliant commander. Since long ago, our People's Army has traversed the most glorious road in army building under the leadership of the respected and beloved Comrade Kim Chong-il.

The respected and beloved Comrade Kim Chong-il led our People's Army for over 30 years. It was a glorious 30 years in which the army-building ideas and feats of the great leader [widaehan suryong] have been steadfastly adhered to and defended. It was also 30 years of victory in which the political and ideological superiority of the People's Army was highly displayed, and 30 years of pride in which our army's military power was consolidated in every way.

During this period, the respected and beloved Comrade Kim Chong-il set forth the slogan on modeling the entire army on the chuche idea and led the historic cause. For our People's Army, the struggle to model the entire army on the chuche idea was a lofty struggle to perfectly equip the People's Army with the appearance of the army of the leader and of the party for generations. In this course, our army was strengthened and developed as a glorious revolutionary armed forces which thoroughly embodies the respected and beloved Comrade Kim Chong-il's ideas and temperament.

Truly, our People's Army is a revolutionary army brought about by the great Comrade Kim Chong-il [widaehan kimjongil tongji] with all his efforts and energy, sharing the ideas, volition, destiny, and future with the general.

Recently, the respected and beloved supreme commander Comrade Kim Chong-il carried out his historic inspection to frontline units. It was the demonstration of the great general's determination to defend our revolution to the end and a new milestone in strengthening and developing our revolutionary armed forces.

Through the respected and beloved Comrade Kim Chong-il's historic inspection of frontline units, our People's Army has come to display its fame as an army that is in perfect harmony with the comrade supreme commander and as a one-is-a-match-for-100 powerful armed forces that fights in the style of Comrade Kim Chong-il.

Our People's Army is an invincible army that wins victory through the military strategic ideas and resourcefulness of the respected and beloved Comrade Kim Chong-il. Victory in war is a victory of military strategy. The strategy of the supreme commander decides the army's combat capacity and influences the destiny of war.

With excelled military strategic ideas and resourcefulness, the respected and beloved Comrade Kim Chong-il has always led our People's Army to victory.

Comrade Kim Chong-il's military strategic ideas and resourcefulness are based on a revolutionary view of the soldiers and people, who are the main forces in war. They are also based on the experience gained from all wars and places as well as the requirements for modern warfare, and are strategies and a resourcefulness with which we take the initiative and push the enemy into a corner even in complicated war situations.

During the historic days of his inspections to the frontline, the respected and beloved Comrade Kim Chong-il [kyongaehanun kimchongil tongji] sagaciously acquainted himself with the prevailing situation with an outstanding military insight and launched sagacious operations. Upon witnessing his leadership traits, the officers and men of our People's Army keenly felt how outstanding a military strategist and military genius they are upholding at the head of the revolutionary armed forces.

Officers and men of our People's Army cherish the belief that they will be able to win every battle if they fight according to the war strategies and tactics of the respected and beloved Comrade Kim Chong-il [kyongaehanun kimchongil tongji].

Our People's Army, armed with the military strategic ideas of the respected and beloved Comrade Kim Chong-il's [kyongaehanun kimchongil tongji], is strongly prepared to cope with any unanticipated event.

Our People's Army is an army that knows not only itself but the enemy. There is no hopeless operation in our army.

Swiftness to make decisions, sagaciousness to carry out operations, and mercilessness to strike [tagyogesoui mujabisong] are the traits of our People's Army. Our

army will smash any military strategy of the enemy by using *chuche*-oriented strategies and tactics.

Our army's tactics, which were taught by the respected and beloved Comrade Kim Chong-il [kyongaehanun kimchongil tongji], are our own style of tactics that suit the requirements for modern warfare and the real situation in our country.

Even if the enemy crawls in from the land, the air, and the sea, and even if it fights in the mountains or on flat land, our People's Army will annihilate the rascals in a stroke. No one in the world can be a match for this powerful army, which fights according to the tactics of the respected and beloved Comrade Kim Chong-il [kyongaehanun kimchongil tongji].

Our People's Army is an iron-willed army that fights with the incomparable boldness of the respected and beloved Comrade Kim Chong-il's [kyongaehanun kimchongil tongji]. Boldness is the key to victory in a revolutionary war that determines life or death. The respected and beloved Comrade Kim Chong-il [kyongaehanun kimchongil tongji] is exercising his leadership in army building and in the army's activities with the boldness and will of Mt. Paektu.

The boldness and will of the respected and beloved Comrade Kim Chong-il [kyongaehanun kimchongil tongji] is based on the firm belief that one can emerge alive even if the sky collapses, on the firm fighting spirit with which one defeats tens of millions of enemies, and on a powerful will that one does what he has decided.

At a time when the situation is tense, the great Comrade Kim Chong-il [widaehan kimchongil tongji] inspected frontline guardposts that are in confrontation with the enemy. This shows he is an iron-willed brilliant commander who possesses an outstanding boldness and will.

Officers and men of our People's Army draw boundless courage from the boldness and will of Comrade Kim Chong-il.

Our People's Army, which fights with the boldness and will of Comrade Kim Chong-il, the respected and beloved supreme commander, is filled with a fighting spirit to annihilate the enemy.

If our enemies use knives we will use rifles, and if they use rifles we will use artillery. We will respond to retaliation with retaliation and to all out war with all out war. This is precisely our army's mettle. Our army will never allow a retreat of even one step; there will only be advances and assaults. Our soldiers are ready to rise up in a do-or-die battle in high spirits, devoting themselves to it. The hearts of our soldiers are filled with the firm

courage that there is no one in this world who can match those resolved to die. It will be a miscalculation if our enemies expect mercy from an army with such a do-or-die determination.

Our People's Army is a matchless army that is shouldering the mighty revolutionary rifles bestowed by the respected and beloved supreme commander Comrade Kim Chong-il.

A revolutionary army should be firmly prepared not only politically and ideologically, but also in military technology, ideology and rifles. This is the philosophy of victory in a revolutionary war.

The respected and beloved supreme commander Comrade Kim Chong-il has made protracted, great efforts to improve the arms and equipment of the People's Army and to develop the defense industry. The level of modernization of our revolutionary armed forces has greatly enhanced during the era led by great Comrade Kim Chong [widaehan kimchongil tongji], and consequently, our army has been equipped with a powerful means of attack and defense.

It is indeed boastful that our revolutionary armed forces, which began with two revolvers, have grown today to become a powerful army armed with up-to-date military science and technology as well as mighty combat equipment. Today's KPA is not the army of the 1950's, which fought with rifles as it competed with powerful enemies armed with modern weapons. It is also not the army of the 1960's and 1970's, when the Pueblo and Panmunjom incidents occurred.

Our army, armed with the revolutionary rifles bestowed by the respected and beloved Comrade Kim Chong-il, is impregnable in defense and matchless in attack. The proud appearance of our army is that it has the powerful strength to smash at one stroke any powerful enemy at any place and at any time. There is no limit to the military strength of our People's Armies.

The mission of our revolutionary armed forces is not limited to simply defending against invading enemies. Those who are attempting to provoke us will not get away scot-free wherever they may be in the world. It is the firm and invariable will of our revolutionary armed forces to smash the enemy's stronghold, and thus, to completely remove the source of war.

The fact that our People's Army has grown up to become the army of the respected and beloved supreme commander Comrade Kim Chong-il, which is a matchless, ever-victorious, and strong army, is of great significance in accomplishing the *chuche* revolutionary cause.

Our People's Army is the first safeguard and first defender of the nerve-center of the revolution. As the People's Army has grown up to become a strong army of one-is-a-match-for-100, the security and authority of the nerve-center of our revolution, headed [subanuro hanun] by the great Comrade Kim Chong-il, have been firmly guaranteed.

The nerve-center of our revolution will also radiate brilliance in the future as the ever-victorious supreme general staff of the revolution. Our People's Army is our party's revolutionary armed force which shares its destiny to the end with the party and which is loyal to the party's leadership. As the single-hearted unity between the party and army has been firmly achieved, our People's Army is more highly demonstrating its dignified appearance as the army of the Workers Party of Korea.

The party leads the revolution through the army, and the party and army are advancing as one mind. Herein lies the secret of the ever-victorious Korean revolution.

Our People's Army is the mighty fortress of our own style of socialism. Thanks to the existence of the ever-victorious and invincible revolutionary armed forces, the gains of our revolution have been firmly defended, and our fatherland's sovereignty has been firmly guaranteed. Our country, which is being safeguarded and defended by the bayonets of the People's Army, will continue to exist as the invincible socialist fortress.

Our revolution, which started in the forests of Paektu, has not yet ended, and our revolutionary armed forces are faced with a more important task.

Because of the enemies' maneuvers to crush our own style of socialism with the force of arms, a tense situation has been created in our country today in which war may break out at any time.

Today's reality, in which the challenges of our enemies have become vicious, demands that our People's Army advance more staunchly, holding the rifle of the revolution. All officers and men of the People's Army should vigorously demonstrate their brave fighting spirit of one-is-a-match-for-100 in the sacred struggle to defend their party, leader, fatherland, and system with a do-or-die determination.

Adding luster to their honorable title as fighters to the end for the respected and beloved supreme commander Comrade Kim Chong-il is precisely the duty of our People's Army. All officers and men of our People's Army are fighters who have grown up under the hand of the respected and beloved Comrade Kim Chong-il. Loyalty to the respected and beloved supreme

commander Comrade Kim Chong-il is the first duty of the soldiers of the People's Army.

The life of the soldiers of our People's Army is precisely to defend the comrade supreme commander, and the rifles of the soldiers of the People's Army are precisely the sacred rifles to defend the comrade supreme commander.

All officers and men of the People's Army should fight, cherishing deep in their hearts their honor and dignity as the soldiers of the comrade supreme commander.

Let us serve the respected and beloved supreme commander Comrade Kim Chong-il! This should become not only a routine militant slogan of the soldiers of our People's Army, but also a guideline for their military life.

The honor of revolutionary fighters is to radiate brilliance in the sacred struggle to resolutely defend the nerve-center of the revolution.

All officers and men of the People's Army should become the thorough personifier and first standard bearer of the spirit to defend the leader [suryong]. The human bomb spirit of defending the nerve-center of the revolution by shielding the enemy's flying bombs with one's own body, and the indomitable spirit of fighting like wild beasts in the struggle to defend the leader's [suryong] authority, should become the soul and mettle of the soldiers of our People's Army.

Officers and men of the People's Army should add luster to the glorious tradition of our revolutionary armed forces by vigorously waging the movement to win the title of the 7th Regiment of O Chung- hup.

Safeguarding, defending, and adding luster to the achievements that the respected and beloved supreme commander Comrade Kim Chong- il has registered in his leadership in building the army is the basic guarantee for strengthening the combat capabilities of the People's Army. The achievements of the respected and beloved Comrade Kim Chong-il in building the army, which were registered during his leadership, are the immortal assets that make it possible for our army to adhere to the revolutionary character as the leader's army and party's army. This achievement is also the greatest achievement of the achievements that the respected and beloved Comrade Kim Chong-il has registered in the revolution and construction.

Since the fatherly leader passed away, the respected and beloved Comrade Kim Chong-il has paid great attention to building the People's Army and is now carrying out an energetic leadership within it. He has also given constant on-the-spot guidance to this sector.

All officers and men of the People's Army should cherish deep in their hearts the great pride and dignity of carrying out the revolution and of upholding the matchless general as their supreme commander, and should infinitely glorify the achievements that the respected and beloved Comrade Kim Chong-il has registered in his leadership in building the People's Army.

We should carry out the work of building the army according to the intent of the respected and beloved supreme commander Comrade Kim Chong-il.

Fight, train, and live in accordance with the Comrade Kim Chong-il style! This is the immortal motto of our army.

Soldiers of the People's Army should more firmly establish the respected and beloved Comrade Kim Chong-il's command system and should see to it that the supreme commander's order is unconditionally implemented, and that the revolutionary discipline, in which the entire Army moves as one under the supreme commander's order, is firmly established.

All soldiers should firmly arm themselves with the chuche-oriented military ideology and tactics of the great Comrade Kim Chong-il, and should more thoroughly establish the dignified appearance of the KPA.

At the same time, we should also further strengthen the unity of the entire army in ideas and will by highly displaying the unity between officers and men as well as between party members and members of the Kim Il-song Socialist Youth League.

It is imminently required by today's situation for the entire army to assume a complete combat mobilization posture. Today, when a severe situation is being created, People's Army officers and men are filled with a burning resolution to defend the party and the fatherland to the last by dedicating their lives.

Our revolutionary soldiers, with rifles in their hands, cannot allow even the slightest idleness and looseness. All soldiers should keenly watch every move of the enemy with great revolutionary alertness, and if the rascals ever provoke a war, they should immediately and thoroughly control [cheap] it.

It is a militant trait of the soldiers of the respected and beloved comrade supreme commander to stoutly fight while upholding the red flag with the invincible revolutionary spirit of the anti-Japanese revolutionary martyrs who smashed the enemy, risking their own lives, possessing the rushing spirit of the heroic soldiers who crossed over the burning Nak River.

People's Army officers and men should be able to share their destinies with their rifles. Rifles are the endur-

ing comrades of revolutionary soldiers. A rifle grasped by a soldier bears the pure conscience and unchanging faith of that soldier. People's Army soldiers should resolutely fight the enemy like merciless rifles, should rush forward like rifles that fire when their triggers are pulled, and should purely decorate the last moments of their lives like unchanging rifles [inmingun kunindurun chabirul morunun chonggwa kachi choktulgwa kyongy-orhi ssawoya hamyo tanggimyon palsahanun chonggwa kachi ojik apuroman tolchinhayoya hamyo pyonhalchul morunun chonggwa kachi majimak choehudo kkaekkutage changsik hayoyahanda].

It is a sacred duty of all party members and working people to establish the trait of valuing the military throughout the country and to strengthen the all-people defense system. Defending the fatherland is the most important work that concerns the fate of the country. All people should maintain a keyed-up and mobilized posture, and should thoroughly prepare themselves politically, ideologically, militarily, and materially to actively cope with any unexpected situation.

We should push ahead with both the national defense and socialist construction, with a rifle in one hand and a sickle and a hammer in the other, bearing the invincible spirit displayed by the guards of the (Ohwangchong) guerrilla base during the days of the anti-Japanese struggle.

Youth are the reserve combat forces and detached forces of the respected and beloved comrade supreme commander. Armed youth should unanimously guard the posts of national defense for the grateful party and leader who have raised and taken care of them, and should death-defyingly defend the respected and beloved General Kim Chong-il by turning themselves into 5 million rifles and guns.

When the army and people fight while being united as one around the great brilliant general, they can defeat any strong enemy. All people should love and sincerely support the People's Army like their own family, and People's Army soldiers should actively help the people and protect their lives and property, risking their lives. In an emergency, the army and people should share life and death, sweetness and bitterness, in the same trench.

We are always optimistic about our victory. Our People's Army has the honorable tradition of being ever-victorious for over 60 years, possessing strong national defense industries and winning the people's absolute support. There is the respected and beloved Comrade Kim Chong-il [kyongaehanun Kim Chong-il tongji], an outstanding military strategist and an ever-victorious iron-willed general, at the top of our revolutionary

armed forces. No matter how desperately the enemy maneuvers, victory is always ours.

All People's Army officers, men, and people will stoutly fight to achieve the final victory of our revolution, even more firmly united around the respected and beloved Supreme Commander Comrade Kim Chong-il.

May the heroic KPA soldiers be loaded with honors!

South Korea

ROK: U.S. Expects DPRK To Accept Four-Way Talks

SK2704004396 Seoul YONHAP in English
0037 GMT 27 Apr 96

[FBIS Transcribed Text] Washington, April 26 (YONHAP) — The United States hopes and expects that North Korea will accept the proposed four-country talks for a permanent peace arrangement on the Korean peninsula, a spokesman for the U.S. State Department said Friday.

Glyn Davies said that what they have received from Pyongyang about the four-way talk proposal is that it is reviewing the offer, and that Washington is encouraged by the North's review of the proposal.

The United States does not regard as negative the (North) KOREAN CENTRAL NEWS AGENCY's comment Friday that a peace mechanism on the Korean peninsula should be dealt with only by North Korea and the United States, Davies said.

Until they made the final conclusions in the past, the spokesman explained, the North Koreans have made inconsistent remarks.

Washington thinks it proper to move toward a lasting peace on the Korean peninsula, and is waiting for an official response to the proposal from the North, Davies said.

Whether economic sanctions against the communist country will be lifted, Davies said, depends on the outcome of dialogue. But progress to that end can be achieved not only with Pyongyang but with Seoul in particular, he added.

The United States wants to resume negotiations with the North on the remains of American servicemen killed in action during the 1950-53 Korean war, but details have yet to be worked out, Davies said.

The U.S. list of seven terrorist countries including North Korea remains unchanged, the spokesman added.

ROK: U.S. Envoy Meets With Foreign Minister, Chongwadae Official

SK2804021496 Seoul HANGYORE SINMUN
in Korean 27 Apr 96 p 2

[FBIS Translated Text] On 26 April, Foreign Minister Kong No-myong and Yu Chong-ha, Chongwadae [presidential offices] secretary for foreign and national security affairs, met U.S. Ambassador Laney separately to go over North Korea's response to the four-way talks and North Korea-U.S. contacts that have become more frequent these days. A government official said the meetings reaffirmed that there is no change in the ROK-U.S. agreement on the principle requiring the direct North Korea-U.S. dialogue be pursued in conformity and parallel with the improvement of South-North Korean relations.

ROK: Kim Chong-u Meets U.S. Deputy Assistant Secretary of State

SK2804072496 Seoul KBS-1 Radio Network
in Korean 0600 GMT 28 Apr 96

[FBIS Translated Text] Kim Chong-u, vice chairman of the North Korean Committee for the Promotion of External Economic Cooperation, who is now visiting the United States to attend a seminar on economic cooperation on the Korean peninsula, said he discussed political and economic matters with Thomas Hubbard, U.S. deputy assistant secretary of state.

In a meeting with reporters, Vice Chairman Kim said yesterday that he and Hubbard extensively discussed wide-ranging issues of mutual interest, such as establishing liaison offices in Pyongyang and Washington and the lifting of economic sanctions on North Korea.

Vice Chairman Kim did not let on about the details of the talks, but said they were helpful to both countries.

ROK Official: 'No Official Agreement' on Lifting DPRK Sanctions

SK2904074896 Seoul YONHAP in English
0712 GMT 29 Apr 96

[FBIS Transcribed Text] Seoul, April 29 (YONHAP) — South Korea and the United States think that the situation is not yet right for the United States to ease economic sanctions imposed on North Korea, although the two countries have already reached a broad understanding on the scope of the lifting of sanctions, a senior Foreign Ministry official said Monday.

"There's no official agreement between Seoul and Washington, at least at the moment, on the further lifting of sanctions on Pyongyang, although working-level officials from the two countries have a broad

understanding on easing travel restrictions to North Korea for Americans and opening telecommunication networks between Pyongyang and Washington," the official said asking not to be identified.

"That's because the United States is not satisfied with North Korea's response to such issues as the repatriation of American servicemen missing since the Korean war, the resumption of inter-Korean talks, liaison offices in Pyongyang and Washington and the implementation of the nuclear agreement," the official said.

The official dismissed claims by the North that it made significant efforts to meet the requirements presented by the United States in a prerequisite for further easing the economic sanctions on the North.

"The North will have [to] consider the big picture," he said.

The official, however, would not link the North's acceptance of the four-way peace talks among South and North Korea, the United States and China directly to the easing of economic sanctions on the North.

South Korea and the United States are "guardedly optimistic" that the quadrilateral talks proposed by President Kim Young-sam and his U.S. counterpart Bill Clinton on April 16 will take place, according to the official.

The official confirmed reports that North Korea's Kim Chong-u, vice chairman of the External Economy Commission, met with U.S. Deputy Assistant Secretary of State Thomas Hubbard over the weekend to discuss issues of bilateral concern.

"The two reiterated their positions on the issues of the U.S.'s further provision of rice aid to the North and easing economic sanctions," he said.

The official, however, denied reports that Kim and Hubbard discussed the four-nation peace talks and other political issues, saying that "the United States does not consider Kim its counterpart for preparatory talks for the four-way meeting."

The official compared the situation to an assumption that the South Korean Government raised the issue of four-nation talks or repatriation of U.S. soldiers while meeting with U.S. trade representatives.

It will, nevertheless, be useful for the Washington officials to speak with the North's Kim on a variety of issues as Kim is, still, a vice-minister level official, he said.

"Such a meeting can itself have political implications in consideration of the fact that the North is an enigmatic

country which has yet to establish full diplomatic relations with the United States," the official said.

ROK: 'Standard' for Consenting to U.S.-DPRK Contacts Finalized

*SK2904065196 Seoul CHUNGANG ILBO in Korean
26 Apr 96 p 1*

[Report by Pae Myong-pok]

[FBIS Translated Text] Amid various forms of frequent official and unofficial contacts between North Korea and the United States, the ROK Government has drawn the conclusion that opposing North Korea-U.S. contacts without any foundation is not desirable, and in reality, is unreasonable. Thus, the government has reportedly mapped out "the standard for consenting to North Korea-U.S. contacts."

The standard, which is also known as the "three-point principle for the ROK's participation," specifies that the ROK will participate with the initiative or interfere in issues related to changes in the current situation on the Korean peninsula, to the future of the Korean peninsula, to peace and security on the Korean peninsula, and to other fields directly linked to the ROK's sovereignty and national interest. However, the ROK Government will consent in principle to North Korea-U.S. dialogues and contacts on other issues.

On 25 April, a relevant high-ranking government official stated that "a concrete review of the pertinent issues in each category is underway, and that the ROK Government intends to inform the United States of the concrete standard as soon as it is finalized."

It has been learned that the government is considering to place the change in the Armistice Agreement, the establishment of peace mechanism, disarmament in the Korean peninsula, North Korea-U.S. general officer-level contact, production and deployment of North Korean missiles, and the issue on the establishment of North Korea-U.S. diplomatic relations under these categories which should ensure the ROK's participation or interference. In addition, the government is working to include the issue of removing North Korea from the list of terrorist states in these categories.

However, this official said that "it is a government policy not to include North Korea-U.S. negotiations for the repatriation of remains of U.S. soldiers, for missile export control, and for the establishment of liaison offices, in these three categories." He explained that "the standard for consenting to North Korea-U.S. contact has more concretely materialized the principle of separating U.S.-North Korea contact from the issue of peace on the

Korean peninsula, as agreed during the Cheju ROK-U.S. summit."

Concerning the U.S. additional lifting of economic sanctions against North Korea, this official said that "this issue, in principle, will not come under these categories." However, he added that in view of the possibility that the lifting of economic sanctions may have an impact on North Korea's arms buildup and may harm peace and security on the Korean peninsula, the government may place this issue under "the three-point principle for the ROK's participation," according to the nature of each case. Having classified the measures on lifting the economic sanctions into three or four phases according to the intensity of the effects, the government will consent to the lifting of the first-phase measure, which are of little impact.

ROK: DPRK, U.S. Agree To Discuss Repatriation of U.S. Servicemen

SK2804012296 (Internet) *The Chungang Ilbo WWW in English* 28 Apr 96

[FBIS Transcribed Text] A high-level official at South Korea's Foreign Ministry announced Saturday that negotiations on the repatriation of American servicemen between North Korea and the United States will resume in New York early next month. The official stated, "Pyongyang and Washington are currently adjusting the final schedule for the resumption of negotiations slated for early next month. An official announcement will take place as soon as the air-travel schedule of the North Korean delegation is confirmed."

ROK: DPRK Said 'In Secret Contact' Over 4-Way Talks

SK2704010496 (Internet) *The Chungang Ilbo WWW in English* 27 Apr 96

[FBIS Transcribed Text] ASAHI SHIMBUN, quoting South Korean government sources, reported Friday that South Korean authorities are in secret contact with North Korean officials both in Beijing and New York in order to hold consultations about the holding of 4-way talks.

However, the Japanese daily reported that the actual name of the official in charge of the contacts and the details of the consultations are as of yet unknown.

ROK: Minister Kong Hopeful North To Participate in 4-Way Talks

SK2704061596 *Seoul YONHAP in English* 0611 GMT 27 Apr 96

[FBIS Transcribed Text] Seoul, April 27 (YONHAP) — Foreign Minister Kong No-myong expressed his hope

Saturday that North Korea will participate in the four-way peace talks that was proposed by South Korea and the United States last week.

"There's no other forum at the moment to deal with the issue of permanent peace regime on the Korean peninsula other than the quadrilateral talks," he said.

Kong also denied reports saying that Seoul and Pyongyang have recently engaged in secret meetings on the quadripartite talks.

"The current situation is that the North has yet to contact the South on the four-nation talks, and is contacting the United States through its mission in New York over the issue," he said.

"There is a need for the South and North to have contact on the issue but the North has stopped short of reversing its previous position (of excluding the South from peace talks on the Korean peninsula)."

Kong also denounced the North's position that it would seek talks with the United States alone for a peace mechanism on the peninsula, recalling U.S. President Bill Clinton's promise in Cheju last week that Washington would not establish independent contact with Pyongyang on the four-way talks.

"It is absurd to insist that South Korea cannot be a direct participant at the peace talks, considering that the South has a common border with the North stretching 250 kilometers."

"If Pyongyang really wants to establish a permanent peace agreement as it has insisted, the North will have to come out for the four-way talks," Kong said, and urged the North to realize that there is no other alternative to the four-way talks.

ROK: DPRK May Propose 'Conditional Three-Way Talks'

SK2704084696 *Seoul CHUNGANG ILBO in Korean* 27 Apr 96 p 1

[Report by reporter An Hui-chang]

[FBIS Translated Text] It was learned on 26 April that in a response to the four-way talks proposal, a joint proposal by the ROK and the United States, North Korea will propose holding "conditional three-way talks between South and North Korea and the United States."

According to a source well versed in the North Korea-U.S. working-level contacts held in Pyongyang and New York since the four-way talks were proposed, North Korea has internally decided to make the three-way talks proposal, believing facing the ROK is unavoidable in achieving an ultimate improvement of its relations

with the United States, such as the establishment of diplomatic relations.

The source said: "Through working-level contacts with the United States, North Korea demanded that the three-way talks presuppose the lifting of a broad range of economic sanctions on North Korea by the United States as well as ROK economic assistance to North Korea. However, these preconditions have yet to become final." The source continued by saying: "As soon as final negotiations are held on this, North Korea will likely put forward the three-way talks proposal to the ROK."

The source added: "North Korea reportedly originally considered a step-by-step proposal—it first proposes that 'the ROK may participate in the three-way talks as an observer,' and if the ROK refuses, then it again proposes the holding of 'conditional three-way talks.' However, North Korea has withdrawn this plan because the United States opposed it."

ROK Daily Analyzes Proposal for 'Conditional Three-Way Talks'

SK2704140096 Seoul CHUNGANG ILBO in Korean
27 Apr 96 p 3

[Article by reporter An Hui-chang: "Background of North Korea's Proposal for 'Conditional Three-Way Talks'"]

[FBIS Translated Text] It is highly likely that in response to the proposal for holding four-way talks to discuss the issue of peace on the Korean peninsula, North Korea will propose conditional three-way talks between South and North Korea and the United States, excluding the PRC. This is attracting much public attention. It is strange for North Korea to consider a proposal that excludes the PRC, on which North Korea is relies the most.

However, we can understand this to a certain degree when we take into account North Korea's position and situation surrounding the proposal for four-way talks and its relations with the United States and the PRC.

First, North Korea thinks it is not desirable for the PRC to be involved in this issue, probably because North Korea believes that if the PRC becomes involved now, after North Korea has secured its own interests and has considerably saved face through negotiations with the United States over the nuclear issue that lasted for over three years, then it will only complicate the situation. North Korea may view the PRC's involvement as forcing the issue out of focus and narrowing North Korea's position. In addition, North Korea may consider the PRC unreliable because Beijing has considerably improved its relations with the ROK since diplomatic

ties were established between the two. It is no accident that a North Korean defector testified to the phrase "do not trust the PRC," which is circulating within the North Korean Foreign Ministry.

Accordingly, what North Korea is thinking must be how to develop its relations with the ROK while promoting the establishment of diplomatic relations with the United States. The most favorable situation for North Korea is that it is able to pursue economic interests and strengthen its position in the international arena while maintaining contacts with the United States, to the exclusion of the ROK. However, North Korea is also clearly aware that it is difficult to expect the United States to agree to such a position, which completely disregards the ROK.

North Korea may understand that the ROK and U.S. Presidents put forward the proposal for four-way talks taking the North Korean position into the consideration.

Nevertheless, if North Korea accepts the proposal for four-way talks, that means the downfall of the "framework of DPRK-U.S. negotiations" that it has elaborately built; this is why North Korea cannot accept the proposal at once. Under this situation, North Korea has developed the proposal for the alternative "conditional three-way talks."

From the viewpoint of North Korea, this proposal has many advantages. First, it enables North Korea to appear amiable because it has made a concession to the international community by standing back a step from its invariable demand for "negotiations only with the United States." At the same time, North Korea has left room to withdraw its proposal at any time by setting "preconditions" for the actual holding of three-way talks. This is similar to the "tactic of specifying agenda items" which North Korea used like an heirloom during the negotiations over the nuclear issue. The tactic is to itemize one's cards as minutely as possible, present them one by one to one's negotiation partner, and obtain a profit each time the partner responds to each presented card.

Meanwhile, it is felt North Korea believes it will be all right if the three-way talks are held if the ROK and the United States meet the preconditions North Korea has unilaterally set, for North Korea probably calculates there is enough room to intentionally disregard the ROK even after the talks begin.

Accordingly, the ROK Government will hardly be able to accept the proposal for three-way talks, not only because the talks are unconvincing, but because North Korea will probably put forward the proposal under conditions difficult to accept. In conclusion,

it is expected that an offensive and defensive battle surrounding the proposal for four-way talks will be dragged out for a long time.

ROK Editorial Cautions Excessive Expectations Over 4-Way Talks

SK2804005396 (Internet) *The Digital Choson Ilbo* WWW in English 1204 GMT 27 Apr 96

[Editorial: "Overblown Expectations for 4-Party Talks"]

[FBIS Transcribed Text] The recent discussion of four-party talks have generated too much attention, too many expectations, too many theories, and too much media coverage. Of course, it is possible that the talks will be successfully implemented, but there is also a good chance that North Korea will refuse to accept the proposal. Especially when one considers that North Korean policy has rarely been based on rationality.

It is possible that we are only setting ourselves up to be frustrated. In spite of our expectations, North Korea can still refuse to enter the proposed four-party talks. Setting our expectations too high, we may also be playing into a trap of Northern strategy. Playing the part of a reactionary, hinging on every word or movement, we reveal ourselves all too well. As the past has shown us, this is not a wise course of action, and has gotten us into trouble in North-South relations before. Comments by those who hold the responsibility of national affairs in their hands, that North Korea must join the four-party talks, merely reveal our basic policy structure in advance. Rather, they should reflect before they speak.

Perhaps our government and the people are under the illusion that the four-party talks are the only vehicle for solving each issue of contention between North and South Korea. Even if the four-party talks are implemented, however, there are many more things to take into consideration before we can achieve peace. To convert the armistice agreement into a peace treaty requires more than paperwork, but also requires an actual easing of tension.

As journalists, we need to keep a calm watch over the events as they develop, looking for any indications of change in North-South relations, and reporting them truthfully. If we preempt this responsibility, it is possible to damage the progress of North-South relations. We pledge to be more considerate on this matter.

ROK Official: DPRK May Respond to 4-Way Talks 'Next Week'

SK2804063696 *Seoul HANGUK ILBO in Korean* 26 Apr 96 p 1

[Report by Chang Yon-chol]

[FBIS Translated Text] A government official revealed on 25 April that "North Korea is currently being briefed on the agenda and the details of the proposed four-way talks through its contacts with the United States," adding that "the chances are high that North Korea will make a formal response to the four-way talks as early as next week."

The official said on this day: "On 24 April, North Korea's Vice Foreign Minister Pak Sok-kyun — who is now in Washington participating in a seminar on economic cooperation on the Korean peninsula along with Kim Chong-u, vice chairman of North Korea's External Economy Commission — had a telephone contact with David Brown, Korea desk officer at the U.S. State Department," and added "it is my understanding that Pak Sok-kyun, in the telephone contact, said that if there is something in common between the proposed four-way talks and the North's proposal for a peace mechanism, some kind of step will be taken regarding this proposal right after his return to North Korea."

The official continued that "a North Korean delegation is now having a series of unofficial contacts with officials of the U.S. State Department," and said "the U.S. side had obtained our government's understanding on this."

ROK Daily Urges Government Not To Hurry Into Four-Way Talks

SK2804125696 *Seoul KYONGHYANG SINMUN in Korean* 28 Apr 96 p 3

[Editorial: "Do Not Hurry Into Holding Talks"]

[FBIS Translated Text] North Korea has sporadically made various remarks about the proposal for four-way talks through various channels without citing any official reaction, which confuses us. Several days ago, North Korean ambassador to Russia Son Song-pil said: "North Korea is thoroughly studying the proposal to grasp its real purpose." Yi Chong-hyok, vice chairman of the Asia-Pacific Peace Committee of North Korea, stated on 26 April: "The issue concerning South-North relations will be smoothly resolved." Meanwhile, on the same day, the KOREAN CENTRAL NEWS AGENCY issued a negative comment, saying: "The ROK cannot meddle in the issue of guaranteeing peace on the Korean peninsula."

We do not understand North Korea's ulterior motive, but it seems certain North Korea is busy weighing the advantages and disadvantages of accepting the proposal for four-way talks. We can easily guess that North Korea, believing it to be difficult to refuse the proposal because of the attitudes of the United States and the PRC, may decide to profit by setting conditions for its participation in the talks. Moreover, North Korea is trying to find a way out of its food crisis. Needless to say, the profit North Korea will want to obtain is a broad range of economic assistance, including food aid.

I do not mean to criticize North Korea for calculating as such. What matters is our attitude and our countermeasures. It is true the government kept economic assistance to North Korea in mind when it proposed holding four-way talks. This is quite understandable, because if we pretend to be unaware of the serious food problem facing North Korea, this will not only go against all reason, but will be of no help in proceeding with dialogue. However, the government should not be so impatient to obtain North Korea's consent to the proposal for four-way talks.

The government's thinking as to economic assistance to North Korea is indirectly expressed in many phrases within the ROK-U.S. joint statement on proposing the four-way talks. North Korea is certain about this. Accordingly, it is not beneficial for the successful holding and progress of the talks if the government mentions potential assistance to North Korea in detail at a time when North Korea has yet to officially react to the proposal for talks. The provision of economic assistance to North Korea is an issue that should be discussed in detail between the parties concerned once the four-way talks begin.

In addition, it is not beneficial that rumors are endlessly circulating that South and North Korean delegates have held secret contacts in Beijing. If they need to meet, they should do so aboveboard. South-North relations are no longer an object of secret bargaining. Nor do we have to worry about active contacts between North Korea and the United States. How can we expect North Korea to open up without North Korea-U.S. contacts? We must dissolve such misgivings by further consolidating the ROK-U.S. cooperation system.

ROK Reportedly Not To Link 4-Way Talks With Liaison Office

SK2904030296 Seoul HANGUK ILBO in Korean
25 Apr 96 p 5

[Article by Ko Tae-song: "The Government Position Regarding the Establishment of Liaison Offices Between North Korea and the United States"]

[FBIS Summary] Our government has now completed assessing how the establishment of liaison offices in North Korea and the United States, a symbolic step toward the improvement of North Korean-U.S. relations, will affect us. The government views that the establishment of liaison offices in the two countries is no longer a big issue but a settled fact.

"Therefore, the government has reportedly decided to understand the U.S. position as to the timing of the opening of the offices and conveyed this position to the United States. The government also makes it clear that the ROK will not link the North Korean acceptance of the ROK-U.S.-proposed four-way talks with the establishment of the liaison offices."

The government has thus assumed a flexible attitude toward the establishment of the liaison offices because our political burden connected with the establishment of the liaison offices has decreased significantly and because, in particular, if we oppose it, we would have more to lose than gain under the circumstances in which the four-way talks proposal was made.

The United States is already discussing with North Korea all pending issues through the missile talks and the established New York channel. Moreover, if the liaison office is opened in Pyongyang, we could gain access to the on-the-spot information for the assessment of North Korea's internal situation, and this is something North Korea will worry about.

Nevertheless, the government stresses that political efforts ought to be made in the U.S.-North Korean negotiation to induce North Korea to accept the four-way talks proposal. However, the government makes it clear that in the process of the establishment of the liaison offices, the United States can explain to North Korea the background of the four-way talks and persuade North Korea to accept the talks proposal but should never discuss practical matters for the talks, such as the form, agenda, and the delegates, and should not accept the North Korean proposal, if any, for upgrading the liaison office.

ROK: DPRK Reportedly Sets Conditions for Four-Way Talks

SK2904034196 Seoul HANGUK ILBO in Korean
29 Apr 96 p 1

[By reporter Ko Tae-song]

[FBIS Translated Text] It was learned on 28 April that in a series of contacts with the United States, North Korea has expressed its willingness to accept the four-way talks proposal if the agenda is divided in such a way that North Korea discusses the issue of the implementation of the North-South Agreement with the ROK Government and the issue of the peace mechanism with the United States even if the peace regime on the Korean peninsula is dealt with in the four-way talks.

It has been learned that North Korea conveyed this position to the United States in the working contacts with the U.S. State Department by Kim Chong-u, vice chairman of the North Korean External Economic Committee; and Yi Chong-hyok, deputy director of a department of the North Korean Workers Party, and through the established dialogue channel in New York through Han Song-yol, minister of the North Korean UN Mission. In this connection, a senior government source said, "North Korea maintains that since a basic agreement has already been signed between the North and the South, all the two sides have to do is discuss the specific ways to implement it. North Korea continues to maintain the position that the United States is the main party concerned with the negotiation regarding the peace mechanism issue and that the ROK is only in an auxiliary position."

The government is giving a negative appraisal of this North Korean position as it contradicts the tenor of the four-way talks proposal which proclaimed the leading role of the North and the South, but is noting that North Korea hinted the possibility of accepting the four-way talks proposal even though it set a condition. The senior government source added, "It is too early to regard the North Korean expression of its position as a counterproposal on the agenda and form of the talks."

ROK: Ministry Approves Multimillion-Dollar Projects in DPRK

SK2704051496 Seoul KBS-1 Radio Network
in Korean 0300 GMT 27 Apr 96

[FBIS Translated Text] The Ministry of National Unification today approved Samsung Electronics, Daewoo Electronics, and Taechang Ltd. as businesses participating in the inter-Korean economic cooperation in addition to those firms which had previously obtained approval.

Commenting on this, experts in North Korean affairs believe that the government has begun to take full-fledged appeasement steps toward North Korea in connection with the four-way talks considering that the investment of each of these three firms exceeds the \$5 million ceiling the government has set so far and that the business these firms will undertake is not in the area of basic daily necessities but that covering the state-of-the-art electronic products, such as the time division exchange [TDX].

Samsung Electronics is planning to invest \$7 million in a joint venture with the North Korean Telecommunications Company for the construction and operation of a communications center in the Najin- Sonbong area, and in this process to install the TDX modern communications equipment in North Korea.

Daewoo Electronics is planning to invest a total of \$6.4 million in a joint venture with the North Korean Samcholli General Company for the production of electric and electronic products, such as color television sets and washing machines, in the Nampo industrial park.

Taechang Ltd. is planning to invest \$5.8 million in a joint venture with the North Korean Nungna Trading General Company to develop and sell well-water from Mt. Kungang in Kosong County, Kangwon Province.

ROK Government Considers 'Appeasement Measures' Toward DPRK

SK2804233096 (Internet) The Chungang Ilbo WWW
in English 29 Apr 96

[FBIS Transcribed Text] The South Korean government is considering the application of multilateral appeasement measures including aid in the form of rice to North Korea in order to induce Pyongyang to accept the proposed 4-way talks on the establishment of peace on the Korean peninsula.

According to a series of plans under consideration by the Unification Ministry, Foreign Ministry and the Agency for National Security Planning, Seoul will 1) expand inter-Korean economic cooperation, 2) establish a liaison office in North Korea for private companies and 3) permit visits by heads of business conglomerates to the North as preliminary measures if Pyongyang agrees to the 4-party talks. A second round of measures will call for indirect assistance when Pyongyang buys 100,000-300,000 tons of grain from international grain markets.

ROK: North Red Cross Asks International Counterpart for Aid

SK2704031896 Seoul YONHAP in English
0248 GMT 27 Apr 96

[FBIS Transcribed Text] Seoul, April 27 (YONHAP) — The Korean National Red Cross (KNRC) announced over the weekend that it would send its fourth batch of relief to North Korea sometime next month.

At the request of the International Federation of Red Cross and Red Crescent (IFRC), the fourth batch will include 180,000 liters of cooking oil worth 250 million won, the announcement said.

The cooking oil will be shipped to North Korea in 100,000 1.8-liter bottles, a three month supply for 26,000 households.

The KNRC has shipped three batches of relief, including 10,000 blankets, 100,000 packages of ramyon instant noodles, 20,000 pairs of socks, etc. worth a total of 310 million won, to North Korean flood victims so far.

Meanwhile, the North Korean Red Cross recently asked the IFRC to supply 12,285 tons of rice, 2,730 tons of soybeans and 364,000 liters of cooking oil to sustain the 130,000 flood victims in 16,000 households until October.

ROK: Russian Ambassador to ROK on Talks Proposal

SK2804085296 Seoul HANGYORE SINMUN
in Korean 25 Apr 96 p 18

[Interview with Georgiy Kunadze, Russian ambassador to the ROK, by reporter Ko Sung-u at the Russian Embassy in Seoul on 22 April — italicized passages are the reporter's introduction and comments]

[FBIS Translated Text] *We visited the Russian Embassy in Seoul on 22 April to listen to Russia's stance on the proposal for four-party talks as presented by Georgiy Kunadze, the 47-year-old Russian ambassador to the ROK.*

He is a doctor of politics who began his career as a diplomat after serving as a researcher at the Soviet Academy of Sciences. After serving as Russia's vice foreign minister, he came to the ROK in 1994 as ambassador to the ROK. He has a good command of English and Japanese, though his Korean is not quite so good. Therefore, Valeriy Suhinin [name as transliterated], who lived in North Korea for 17 years, interpreted for him. He sincerely answered our questions, even though, prior to the interview, he presented some conditions for conducting the interview.

[Ko] Why is holding one-on-one negotiations between North Korea and the United States not the best solution to the problems on the Korean peninsula?

[Kunadze] Russia supports all realistic proposals that can ease tensions on the Korean peninsula. In solving the problems on the Korean peninsula, North and South Korea should first agree on guidelines or regulations that they must abide by in promoting bilateral relations, then all the other countries concerned should have a chance to confirm whether such an agreement is in their own interests.

Russia has recently resolved international disputes in the Near and Middle East, Cambodia, and the former Yugoslavia. There were two common factors in these successes: The direct parties to the disputes participated in the process, and all other parties concerned rightfully participated. If these conditions are met, the dispute on the Korean peninsula will be resolved.

The ROK proposed six-party talks when No Tae-u was president; this time it proposed four-party talks. We supported the proposal for six-party talks in principle. I cannot understand why the ROK advanced the proposal for four-way talks.

After saying this is his personal view, Ambassador Kunadze said: "This naturally prompts speculation that the current government is less interested than the previous government in Russian cooperation as regards the Northeast Asia problem. If this speculation is correct, I should say formal relations between Russia and the ROK have not developed."

[Ko] What is your speculation on the four-party talks?

[Kunadze] I do not know exactly, because North Korea and the PRC have not made any clear-cut response to the proposal. We think prospects for North Korea-U.S. talks and North Korea-Japan talks are bright. North Korea and the United States have agreed to bilateral negotiations on various issues, and missile talks are under way.

No signs have been shown that the ROK's current proposal is better than its previous one.

[Ko] What does Russia think of the North Korea-U.S. efforts to establish relations?

[Kunadze] Unlike South Korea, Russia is not opposed to the normalization of relations between North Korea and the United States because that is a matter of course. For two sovereign countries to promote closer ties is in their right.

He asked me why the ROK opposes promoting North Korea-U.S. relations, and I told him the ROK Government's official position is that under the ROK Constitution, North Korea is not a sovereign state. He then

asked: "Then why does the ROK seek four-party talks with North Korea."

[Ko] Does Russia think reunification on the Korean peninsula would eventually contribute to stability in Northeast Asia?

[Kunadze] Yes. North-South reunification would ensure peace in Northeast Asia in the long run. Russia intends to consider a reunified Korean peninsula to be a friendly state, and thus supports reunification on the Korean peninsula.

[Ko] How will Russia implement the proposal for eight-party talks in place of four-party talks?

[Kunadze] The eight-party international conference proposed by Russia is still valid. We think such a conference can be held through consultations among Russia and the other parties concerned.

[Ko] In what respects is Russia a party concerned with the Korean peninsula?

[Kunadze] First, Russia is a neighboring country to the Korean peninsula. Second, a dispute on the Korean peninsula would threaten the security of Russia. Third, Russia seeks favorable ties with North and South Korea, the two countries on the Korean peninsula. Thus, stability and peace on the Korean peninsula are as much in the interests of Russia as to the United States and the PRC.

[Ko] During the Russia-North Korea political consultations held recently in Pyongyang, did North Korea state it does not need third parties or intermediaries to solve the problem on the Korean peninsula?

[Kunadze] That is correct. North Korea also stated it would not engage in dialogue with South Korea under any circumstances on matters pertaining to peace and security on the Korean peninsula.

[Ko] Why is North Korea not showing a positive attitude about discussing a treaty that would replace the North Korea-Russia military treaty abolished last year?

[Kunadze] I do not think North Korea is passive about a replacement treaty. I know North Korea is prudently and extensively studying the Russian proposal, and I think a new treaty will be signed.

[Ko] Russia reportedly is providing massive assistance to North Korea. Would you comment?

[Kunadze] Russia has a powerful economic potential for providing massive assistance to North Korea, even though Russia itself is undergoing economic difficulties of its own. The assistance may be major to North Korea, which is undergoing economic difficulties, but is not that major to Russia. The delegations of the two countries

recently agreed in Pyongyang to modernize Soviet-built plants in North Korea. In the process, North Korea will be able to overcome its economic difficulties. South Koreans must be pleased with this.

[Ko] Some predict North Korea will collapse.

[Kunadze] North Korea does face economic difficulties. Last year's floods and poor harvests dealt it a serious blow. However, it is a groundless allegation that North Korea will collapse. South Koreans, as compatriots to the North Koreans, must be pleased with the assessment that North Korea will not collapse.

[Ko] Is Russia selling weapons to South Korea to repay its debts?

[Kunadze] Russia and the ROK are negotiating such sales as a means to repay Russia's debts. Still, the amount will be insignificant.

[Ko] How is the Russian attempt to increase its military cooperation with both North and South Korea beneficial to regional security on the Korean peninsula?

[Kunadze] I would like to point out that the weapons Russia plans to supply to North and South Korea are few in number, and that the weapons which the Soviet Union supplied to North Korea must not be overestimated. Russian weapons sales to the Korean peninsula are not the result of any secret agreement, and are not major enough to destroy stability there. Russia thinks North and South Korea, both sovereign states, have the right to buy the weapons they need. The United States is opposed to the ROK's purchases of Russian-made weapons, and Russia is paying attention to this.

[Ko] Do you think war will break out on the Korean peninsula?

[Kunadze] Military tensions on the Korean peninsula may bring about an accidental limited war. A war on the Korean peninsula would bring catastrophe for North and South Korea. The North and South Korean leaders know this quite well.

The air conditioner was continuously operating throughout the interview, which lasted over one hour. I thought the spring weather in late April in Seoul must be warm to the Russians who just came in from the cold.

ROK: DPRK Shows 'Great Displeasure' With PRC Role in 4-Way Talks

SK2804105296 Seoul TONG-A ILBO in Korean
26 Apr 96 p 1

[FBIS Translated Text] It was learned on 25 April that North Korea has expressed great displeasure as regards

the PRC's participation in the four-way talks which the ROK and United States put forth.

It was learned that when Kim Yol and Kim Chol-nam, researchers at the North Korean Disarmament and Peace Institute who visited Washington to participate in the disarmament conference held behind closed doors, met U.S. State Department officials at a restaurant on the morning of 23 April (local time), they expressed great displeasure over the PRC's participation in the four-way talks.

MacLansky (name as transliterated), who is in charge of ROK and North Korean affairs, and John Merrill, who is in charge of North Korean affairs within the intelligence investigation section, participated in the contact as representatives of the U.S. State Department. During the contact, the North Korean side strongly expressed displeasure over the PRC's participation, saying: "What is the reason for the PRC to interfere in the peace issue on the Korean peninsula?"

It was also learned that prior to this, on 19 April, during the DPRK-U.S. secret contact held between Han Song-yol, minister counselor to the North Korean mission in the United Nations, and Richard Christenson, deputy chief of U.S. State Department's Korean Section, Han expressed doubts regarding the reasoning for the PRC's participation.

What attracts our interest is that North Korea's dissatisfaction over the PRC's participation stems from the discord between North Korea and the PRC as regards the replacing of the peace mechanism on the Korean peninsula because, early last year, PRC President Jiang Zemin opposed the attempt by North Korea to conclude a DPRK-U.S. peace agreement.

In particular, it was revealed that during the process of rendering the Armistice Agreement powerless through a series of maneuvers, such as declaring that it will not recognize the DMZ engaging in provocations at Panmunjom on three occasions, North Korea did not notify the PRC of this in advance. Thus, government officials feel there are signs of a rupture in the traditional DPRK-PRC friendly relations.

ROK Dailies Discuss Significance of PRC-Russia Partnership

SK2804104096

[FBIS Report] The following is a compilation of two editorials published in ROK vernacular dailies on 27 April in reaction to the recent PRC-Russia summit.

The moderate HANGUK ILBO carries on page 3 an 800-word editorial entitled "PRC-Russia Cooperation and the Korean Peninsula." The editorial notes that the

recent PRC-Russia summit meeting means "an alliance between the two countries to form a joint force to check the United States, which reigns as the only power following the Cold War." It also indicates "the security order in East Asia for the 21st century will give shape to a multipolar system centering around the United States, Japan, the PRC, and Russia." The editorial stresses that ROK diplomacy, which "has remained in the framework of rigid ROK-U.S.-Japan cooperation," should "become more flexible to cope with the changing situation." Pointing to pressure on Russia by the expansion of NATO and to pressure on the PRC by the United States over the Taiwan issue, the human rights issue, and the U.S.-Japan alliance, the editorial notes that both Russia and the PRC "have keenly felt the need for a partner to engage in political, economic, and military cooperation."

The editorial notes that in the PRC-Russia joint statement issued following the summit, Russia revealed its attitude toward the four-way talks proposal, an expression of its "disappointment at Russia's exclusion from the proposed four-way talks." The editorial points to Russia's dissatisfaction with "the lack of remarkable economic cooperation" between Russia and the ROK since the establishment of diplomatic relations and to its "feelings of diplomatic alienation." It stresses "we should not leave ROK-Russia relations cracked over the issue of participating in the peace talks," and should understand Russia's feelings and expand cooperation with Russia, which "has been of great help to us in our diplomacy with North Korea since the end of the Cold War."

The left-leaning HANGYORE SINMUN carries on page 3 an 800-word editorial entitled "PRC-Russia 'Strategic Partnership'." The editorial mentions that the PRC-Russia alliance has been formed "against the United States, which plays a leading role in Northeast Asia by such acts as proposing the four-way talks," as well as against the U.S.-Japan new security declaration. Saying the current situation reminds us of the "competition over the Korean peninsula among the great powers during the late 19th to early 20th century," the editorial stresses: "To cope with the rapidly changing situation surrounding the Korean peninsula, South and North Korea should seek ways to promptly overcome their defects as a divided country by expanding mutual dialogue and exchange." It continues: "There are many ways for the United States, Japan, the PRC, and Russia to strengthen their own rights to speak about the fate of the Korean peninsula with either South or North Korea, using the inter-Korean confrontation." The editorial stresses the ROK "should adopt a balanced and multi-sided diplomacy, and should seek ways to utilize the new order on the peninsula." It also urges the government to resolve pending ROK-Japan issues "with

cool-headed diplomatic negotiations," and not to "adhere excessively and exclusively to the United States" or "demand a monopolistic friendship with the United States to the exclusion of North Korea." The editorial also urges North Korea to awaken to "the illogical nature of its idea that ignores the ROK, which militarily confronts it on the truce line," in the negotiations to conclude a peace agreement on the Korean peninsula.

ROK: Hanchongnyon: DPRK Students Hope To Visit Seoul in Aug

SK2704113596 Seoul YONHAP in English
1107 GMT 27 Apr 96

[FBIS Transcribed Text] Seoul, April 27 (YONHAP) — About 200 North Korean students agreed to visit Seoul in August this year to participate in the first plenary session of the Federation of Pan-National Youths and Students, a student organization here said on Saturday.

Hanchongnyon, the Korea Federation of University Student Councils, held a press conference at the student hall of the Seoul National University here and said that South and North Korean students met in Beijing on April 20 to agree to hold the first plenary session in Seoul.

About 600 students from South and North Korea and foreign countries will attend the session to be held on Aug. 15, Hanchongnyon said.

"The North Korean students said that they will attend the session if the South Korean Government secures their personal safety. We plan to submit application for contact with North Korean residents to the National Unification Ministry soon and discuss about the personal safety of the North Korean delegation with the ministry officials," Hanchongnyon said.

ROK Official Contacting DPRK for Economic Cooperation

SK2704022096 Seoul YONHAP in English
0212 GMT 27 Apr 96

[FBIS Transcribed Text] Seoul, April 27 (YONHAP) — An official of the Korea Trade-Investment Promotion Agency (KOTRA) who was South Korea's chief back-stage negotiator in last year's rice talks with North Korea, has been meeting with a Pyongyang official somewhere outside the country to discuss South-North economic cooperation, it was confirmed Saturday.

"Hong Chi-chun, head of KOTRA's North Korea office, left for Singapore Tuesday," said Yi Kwang-ki, KOTRA vice president. "I understand his trip is to discuss with a North Korean official the issue of South-North economic cooperation."

Yi refused, however, to disclose where the contact is taking place or the kind of cooperation that was being discussed.

Hong's visit comes amid persisting reports that South and North Korean officials were having secret contacts on the proposed four-party talks for permanent peace on the Korean peninsula.

Last May, Hong secretly met an official of Samcholli General Co. Of North Korea to set the stage for the official rice talks between then Vice Finance-economy Minister Yi Sok-chae and Chon Kum-chol, vice chairman of the North's Committee for Peaceful Unification of the Fatherland.

ROK: Government To Support DPRK Asia Development Bank Membership

SK2904005396 Seoul YONHAP in English
0031 GMT 29 Apr 96

[FBIS Transcribed Text] Seoul, April 29 (YONHAP) — The South Korean Government plans to support North Korea if and when it wants to join the Asia Development Bank (ADB).

The issue of the North joining the ADB might be raised at an annual meeting of the international financial institute that will be held in Manila Tuesday through Thursday.

A Finance and Economy Ministry official who will be attending the ADB meeting said Monday, "in the event that the issue of Pyongyang's membership in the ADB is brought up at the Manila meeting by some members including the United States, it's the government policy to actively support it."

The issue is not on the official agenda of the Manila conference, the official said, adding, "given the North's economic woes and its relations with the United States, however, the possibility cannot be ruled out that it will be taken up."

In an effort to join the ADB early in 1993, North Korea sounded out the ADB Secretariat. But the attempt was thwarted in the face of objections raised by member countries on grounds that Pyongyang has not paid any of its foreign debts since 1984.

Seoul has not opposed Pyongyang's joining the ADB, but it has not actively supported either by trying to persuade member countries.

Founded in 1966 with the aim of helping the economic development of developing countries in the Asia and Pacific region, the ADB is an international financial institute membered by 56 countries. South Korea is a founding and executive member of the bank.

A 12-member South Korean delegation to the ADB annual conference in Manila is headed by Deputy Prime Minister and Finance and Economy Minister Na Ung-pae. Bank of Korea Governor Yi Kyong-sik is the alternative head of the delegation.

ROK: DPRK Asks KEDO To Allow Expansion of Scope of Heavy Oil Use

SK2804081496 Seoul YONHAP in English
0812 GMT 28 Apr 96

[FBIS Transcribed Text] Seoul, April 28 (YONHAP) — North Korea has recently asked the Korean Peninsula Energy Development Organization (KEDO) to allow the expansion of the scope of its use of heavy oil, which KEDO has been supplying as substitute energy to the socialist country, an official at the Office of Planning for the Light-Water Reactor Project said Sunday.

KEDO plans to accept the North's request after it works out measures to prevent the oil from being diverted for other purposes, according to the official.

To that end, the U.S.-led consortium will dispatch an official and a technician to the North early next month to install oil gauges.

North Korea, which is currently using the heavy oil as power generation fuel at steam power stations in Najin and Sonbong, voiced hope to use the oil also in those in Yongyang and Chongjin, the official explained.

The official added that pertinent to the Geneva accord signed between Washington and Pyongyang, KEDO is providing the Stalinist country with some 40,000 tons of heavy oil monthly in return for the North's giving up its nuclear development program, and that thus far there has been no suspicion that the North uses the oil for other purposes.

ROK: Kim Chong-pil Cancels Japan Visit Due to Intra-Party Issue

SK2804085696 Seoul YONHAP in English
0848 GMT 28 Apr 96

[FBIS Transcribed Text] Seoul, April 28 (YONHAP) — Kim Chong-pil, leader of the opposition United

Liberal Democrats (ULD), has revoked his planned visit to Miyazaki Prefecture of Japan early next week, ULD Spokesman An Taek-su announced Sunday.

Worrying about a possibility of ULD members' additional bolting from the party in the wake of ULD lawmaker-elect Kim Hwa-nam's secession, the ULD head abruptly canceled his five-day trip to Japan to head off a chain of possible withdrawals, the spokesman conveyed.

Kim instructed ULD Secretary General Kim Yong-hwan to map out countermeasures against possible defections by making the party rapidly enter into an emergency, the spokesman said.

ROK Reportedly To Build Missile-Equipped Submarines

SK2904053496 Seoul CHOSON ILBO in Korean
29 Apr 96 p 2

[By reporter Yu Yong-won]

[FBIS Translated Text] It was learned on 28 April that the Defense Ministry decided to begin to build three German 209 model submarines armed with anti-ship missiles in 1998. A Defense Ministry official concerned said: Because the four 209 model submarines the ROK Navy presently has can fire only torpedoes, we have decided to build the submarines equipped with Harpoon anti-ship missiles to promote the offensive capability of our submarines.

Burma

Burma: PRC's Gen. Zhang Wannian, Delegation Arrive in Rangoon

BK2804145896 Rangoon Radio Myanmar in Burmese 1330 GMT 28 Apr 96

[FBIS Translated Text] At the invitation of Senior General Than Shwe, chairman of the State Law and Order Restoration Council (SLORC) and commander in chief of the Defense Services, a 16-member goodwill delegation led by Gen. Zhang Wannian, vice chairman of the CCP Central Military Commission, and his wife arrived in Yangon [Rangoon] at 1145 today to pay a goodwill visit to the Union of Myanmar [Burma].

The visiting delegation was welcomed at Yangon International Airport by: Gen. Maung Aye, SLORC vice chairman, Defense Services deputy commander in chief, and Army commander in chief, and his wife; Lieutenant Gen. Khin Nyunt, secretary-1 of the SLORC, Strategic Studies Office chief, and director of the Defense Services Intelligence Directorate, and his wife; Lt. Gen. Tin U, secretary-2 of the SLORC and Army chief of staff, and his wife; Brigadier Gen. Khin Maung Than, commander of the Yangon Military Command, and his wife; Brig. Gen. Kyaw Than, Mingaladon Air Base commander, and his wife; PRC Ambassador Chen Baoliu; Senior Colonel Wu Hua Chang, a military attache; and embassy staff.

Burma: PRC's Gen. Zhang Wannian Issues Press Release in Rangoon

BK2804160096 Rangoon Radio Myanmar in Burmese GMT 28 Apr 96

[FBIS Translated Text] Upon arrival at Yangon [Rangoon] International Airport, General Zhang Wannian, vice chairman of the CCP [Chinese Communist Party] Central Military Commission, issued a press release.

The full text of the press release reads:

My delegation and I are very delighted to pay a goodwill visit to our beautiful neighboring country, the Union of Myanmar [Burma], at the invitation of Senior General Than Shwe, chairman of the State Law and Order Restoration Council, prime minister, defense minister, and commander in chief of the Defense Services of the Union of Myanmar. China and Myanmar are connected by mountains, rivers, and roads. People from both countries have been living amicably for a very long time, and a friendly relationship has been nurtured since then. Nearly five decades ago, the leaders of both countries jointly laid down the five principles of peaceful coexistence, which are recognized by the international community as a standard for the relationship between countries.

It is clear that bilateral relations have been improved in recent years due to the frequent mutual visits by leaders of both countries and the increasing contacts at different levels in all aspects. In the present complex international situation, the improved neighborly and friendly relationship between the two countries, which is based on the five principles of peaceful coexistence, will not only contribute to the interests of both people, but it will also contribute to the maintenance of regional peace and stability.

The aim of our visit is to improve confidence and understanding, friendship, and cooperation between the two countries. Through the media, I convey the Chinese people and People's Liberation Army's greetings to the Myanmar people and Defense Services personnel. I wish for the prosperity of the Union of Myanmar, for the physical and mental well-being of the Myanmar people, and for the daily improvement of Chinese-Myanmar relations.

Burma: SLORC Reportedly Offers Land, Cash to Rebels To Surrender

BK2604113596 (Internet) BurmaNet News in English 25 Apr 96

[Report from Shan Herald Agency News dated 7 April]

[FBIS Transcribed Text] In early March, SLORC [State Law and Order Restoration Council] Eastern Military Commander Maj. Gen. Tin Htut (who came to meet Khun Sa at Ho Mong during the MTA [Mong Tai Army] surrender on January 7, 1996) met with SSA [Shan State Army] top officers Zao Zai Nong and Zao Pang Fah in Taunggyi. He told them to prepare to give up their policy of armed struggle (in other words to surrender unconditionally). Each of the officers, from captains upwards, would be given a plot of land to build on (in newly expanded quarters which were formerly fields confiscated by the SLORC) and one million kyats [Burmese currency unit] in cash.

The SLORC are using all kinds of strategies and temptations to make all the ceasefire groups eventually lay down their arms.

Burma: Four ABSDF Insurgents Surrender 16 Apr

BK2504143896 Rangoon Radio Myanmar in Burmese 1330 GMT 25 Apr 96

[FBIS Translated Text] Members of the remaining armed groups from the jungles who have realized the State Law and Order Restoration Council's genuine goodwill and achievements have been giving up their armed struggle and continually surrendering together with their arms at various camps.

At 0800 on 16 April, Company Commanders Moe Wai and Tin Aung and Privates Aung Thein Lwin and San Myint from the ABSDF's [All Burma Students' Democratic Front] 206th Battalion surrendered to the Chaunghnithkwa outpost with two AK-47 assault rifles, two magazines, 20 rounds of AK-47 ammunition, one carbine, one magazine, 10 rounds of carbine ammunition, one M-16 automatic rifle, one magazine, and 10 rounds of M-16 ammunition.

They were warmly welcomed by responsible personnel at the camp and were given the necessary assistance.

Burma: Minorities To Consider Resuming Struggle in 'Secret Talks'

BK2904052896 Bangkok BANGKOK POST
in English 29 Apr 96 p 6

[Report by Suthep Chawiwan]

[FBIS Transcribed Text] Minority groups will hold secret talks in Burma early in May to decide if they are to revive their armed struggle against the Rangoon junta, a source said yesterday.

The ruling State Law and Order Restoration Council [SLORC] has dragged its feet in peace talks in which certain groups have been excluded, he said.

The slow progress indicated the military regime was being less than honest in the negotiations, he said.

About 150 key members of the Democratic Alliance of Burma and the National Council of the Union of Burma will attend the minority talks, said Col Kyaw Hla, joint secretary for Foreign Affairs of the alliance.

Five representatives from each of the 21 alliance groups will gather from May 8-10 in a liberated zone.

Former members of the alliance, including the Kachin Independence Organisation and the New Mon State Party, which have reached a peace agreement with the junta, are welcome as observers, he said.

Col Kyaw Hla, chairman of the Muslim Liberation Organisation of Burma, also said a national council congress from May 13 will decide if the fight is to resume.

Peace talks with the SLORC, he said, are likely to fail as it has never shown a genuine intention to bring about peace.

The SLORC is understood to be using a divide and rule strategy. After reaching a peace agreement with Mon and Kachin rebels, it delayed talks with the Karen National Union and stepped up assaults on Karenni rebels.

Rebel groups remain armed and could launch a guerrilla campaign throughout the country following the secret talks, he said.

Meanwhile, a senior monk in Chon Buri said the conflict between the mainly Christian Karen National Union and the Rangoon-backed Democratic Karen Buddhist Organisation can be solved.

Pointing out that the union is led by Gen Bo Mya, a Christian, he said a number of Karen Buddhists had been ordained at his temple.

Burma: DKBA Troops Said To Prepare for SLORC Attack

BK2904074696 Bangkok THAILAND TIMES
in English 28 Apr 96 p A1

[Report by Atsawin Phinitwong]

[FBIS Transcribed Text] Tak — Democratic Karen Buddhist Army [DKBA] troops yesterday withdrew from the Karen National Union's [KNU] Kawmura camp and moved to the DKBA headquarters opposite Tak's Tha Song Yang district in readiness for an attack by Rangoon troops, according to a Thai border officer.

The officer, who asked not to be named, said around 400 ground troops moved out of the camp at the order of U Thuzana, the guerrilla group's leader, after rumors that the Burmese government would disarm them.

U Thuzana is said to be concentrating more than 3,000 soldiers in the DKBA headquarters at Myainggyingu temple to fend off any raids by Rangoon troops. The soldiers have come from positions opposite the Thai districts of Mae Sot, Phop Phra and Mae Lamat.

However, U Thuzana denies it is in response to the rumor and says it is just a regular meeting.

Burmese authorities are thought to have issued the order in the fear that the DKBA would start attacking Burmese villagers after carrying out several attacks on Thai villages close to the border.

The source said the DKBA are sure to fight on rather than hand over their arms if the rumors prove true.

With the cooperation of the DKBA, the Rangoon army managed to seize the main KNU stronghold in late 1995. After that, the DKBA continued their fight against the KNU with government support. However, they recently ceased cooperation with Rangoon.

The Burmese military junta, the SLORC [State Law and Order Restoration Council], is thought unlikely to try to restore good relations with the DKBA as it is already holding peace talks with the KNU and

the DKBA has become increasingly troublesome in the border provinces.

The DKBA broke away from the Christian-dominated Karen separatist army the KNU in December 1994. Since then they have been launching incursions into Thailand, robbing, raping and murdering unarmed civilians and burning refugee camps.

Burma: Minister Interviewed on Economy, Prospects

BK2404025796 Bangkok ASIA TIMES in English
24 Apr 96 p 9

[Interview by correspondent Stephen Brookes with Brigadier General David O. Abel, Burma's Minister for National Planning and Economic Development in Rangoon — date not given]

[FBIS Transcribed Text] Q: Myanmar [Burma] started a new year on April 16 — what's your forecast for the economy over the next twelve months?

A: Next year will be crucial for us, because all the major investments and developments are going to take off. Our GNP growth was 9.8 percent last year, and we expect to sustain a high growth rate, while trying to keep inflation under control.

Q: What would the ideal growth rate be?

A: We have planned for about six percent per year over five years. That can be achieved, but we have to coordinate related sectors of the economy in order to have maximum production.

Agriculture will still be the mainstay sector of the economy, but we're also in the process of industrializing. That has already started and that's why productivity is increasing. Agro-industries, petrochemical industries and industrial metal and mineral-based industries will all come on stream.

Q: Do you anticipate any major policy initiatives this year?

A: If any more legislation is introduced, it will be to improve and streamline the system — to make it more conducive to the market system.

Q: The government recently forecast a figure of 420 billion kyats (US\$3.36 billion) in capital investment over the next five years. Where will that come from?

A: Yes, we expect investment of 83 billion kyats annually. It will come from state sector, the private sector and foreign investment.

Q: Is a significant amount of private funds being invested?

A: Oh yes. We promulgated the Citizens Investment Law in 1994 to give our citizens the same chance that foreign investors have. We want to encourage people to have a piece of the cake. And in our policy of controlling inflation, one of the methods is to encourage savings, and to encourage these savings to be used as investments in productive sectors. It's a chain effect and since the 1994 law, people have put a lot of money into investments.

Q: Is that why you're setting up a stock exchange now?

A: The stock exchange will be set up within 24 months, but we will have an over-the-counter market very soon. We are already drawing up the mechanisms to be put into position and in about six months the capital markets will be functioning.

Q: Some businessmen here say they welcome the exchange in order to mobilize venture capital, but they also say that an exchange is needed because the banking system hasn't been liberalized enough and there are still distortions.

A: I wouldn't say distortions, but as you know the banking laws are quite stringent and entrepreneurs sometimes cannot come up with sufficient collateral to get what they want, so they think that something is wrong with the banking system. We're watching cases like the current banking problem in Japan. Our banking sector is more British-oriented and we are more prudent about extending loans.

Q: As far as sustaining growth, how important will it be to restart aid from the international financial institutions?

A: We are founding members of the IMF and the World Bank and they were important to us in the past. But since 1988, we haven't received any aid from anyone, so we have tightened our belts. We have a firm conviction that our strength is within the country, and we do what we have to do. And we have succeeded — you can see the results for yourself. If we do get financial help from outside, the results will quicken, we will achieve our goals much faster.

Q: There are a large number of IMF members who favor resuming loans, but the central opposition is coming from the United States. What can you do to change their position?

A: We cannot change them, they can only change themselves. The United States is the only superpower in the world and I think the leadership of the only superpower should be more pragmatic and more benevolent — more forward-looking and flexible.

Q: You've met with members of the American business community who have come here. How would you characterize their attitude?

A: On the average, the American business community does want to come to Myanmar. They want to invest. They are very good people and very realistic. They want to have a presence here and we have always encouraged them with open arms.

Q: And yet several American clothing companies have stopped manufacturing in Myanmar because of political pressure and PepsiCo is now facing a boycott on American campuses. What effect have these boycotts and pullouts had on the Myanmar economy and on manufacturers here?

A: In the manufacturing sector, they employ quite a number of people and they have tried to maintain production capacity by picking up other markets. These products are now going to other markets, such as Europe and Russia. Of course the profit margins are not as attractive as the US market, but they can still be productive.

In the case of Pepsi: This is a brand only — a popular brand, but I think that if Pepsi goes down it won't affect the Myanmar economy at all. It will only affect the people who are working there. And the Japanese are willing to come in.

Q: Yes, there seems to be a very strong interest on the part of the Japanese ...

A: The Japanese business community has a lot of influence over their government and they know that they can't wait any more. They know that time and tide wait for no man and they are playing a very important lead role. Investors from the ASEAN (Association of South East Asian Nations) countries are coming in strongly, as well. ASEAN has taken a very constructive role.

Q: You're familiar with the criticisms aimed at the economic development here: That it's superficial, confined to urban areas, that there's uneven development ...

A: It's easier to criticize than to perform. Whatever figures we quote, whatever situation reports we give, they are all based on firm statistics that are annually looked into by the World Bank and the International Monetary Fund. So there's a solid foundation to everything we say.

As for growth in the cities, when we give out growth figures, we aren't talking about Yangon's [Rangoon] GDP, we are talking about Myanmar's GDP. And although we've had tremendous growth, we haven't had the problems that China has faced, or Vietnam is facing,

of migration from rural areas into the cities to seek a better life.

This isn't happening in Myanmar. We've gone down to the grass roots to find out why this is happening and we've found that in the rural areas they are doing very well, they can live a comfortable life. So that in itself proves that the growth hasn't just stayed at the top — it has benefited everyone.

Q: A key concern for investors is the problem of the dual exchange rate [the official rate is roughly six kyats to US\$1, while the market rate is about 125 kyats to the dollar]. Do you see a devaluation soon?

A: I would say it is a top priority. We know we have to do it, but the adjustment has to be done with a human face. Since 1989, when I was the Minister of Finance, we have been talking with the IMF on this issue. The main thing is for the man in the street not to be affected and we have asked for a safety cushion so we can do it as quickly as possible. As you know, this is no more a technical issue. If they are ready to help us, we are ready to do it.

Q: How much would it cost?

A: In 1989, we asked for a buffer of US\$3 billion over three years, and they didn't agree. So we are a little upset, because in the Mexican [currency] crisis [in December 1994] they came up with about \$47 billion. We only asked for \$3 billion.

Q: That's the benefit of being a next door neighbor to the United States ...

A: (laughing) I have no comment on that.

Q: There's also concern about the budget deficit ...

A: Of course, there is a budget deficit, but you have to use a deficit financing system in a transition economy when you don't get any help from anyone.

Q: So you'll be continuing to run deficits?

A: Within limits.

Q: Specifically ... ?

A: We have a tight budget policy. You take certain measures. You reduce unwanted expenditures; you don't have repressive taxation but you broaden your tax base; you collect your revenues in the proper manner; you encourage savings; you encourage bonds for projects, and you encourage more private investment, rather than state investment. You don't build new hospitals, for example — you let the private sector do that. By doing these things, you can narrow the budget deficit.

Q: Is Myanmar fully committed to a market economy, or will it be more of a mixed economy?

A: A full, free market economy.

Q: Is there a time frame for achieving it?

A: I wouldn't say there's a time frame, but the faster we can do it, the better it will be for the government. When we came to government in 1988, 96 percent of GDP was under control of the state, and four percent in the cooperative sector. The private sector did not exist at all. Today, 76 percent of GDP is in the private sector, 22 percent in the state sector, and two percent in the cooperative sector.

Q: And all the remaining state enterprises are being privatized, or will some remain in state hands?

A: Yes, we're in an enhanced privatization program and we hope this opportunity will be taken by the private sector.

Q: By enhanced you mean subsidies, soft loans?

A: Yes, of course — we're practically giving them away. There are five ways we're doing this. For very small companies under state control, we just sell off at the market rate. Larger companies may need a little more capital, so we make very very soft loans to the buyers. The third way is when the state takes a part share and sells it to the private partners when they're confident enough to buy. The fourth way is a tripartite system with state, domestic and foreign partners. And the fifth way is to form a joint partner between the state and a foreign company and then sell the state shares to the private sector later.

Q: So the government wants to get out of the business sector entirely?

A: That's the main goal: To get out of business as soon as possible, but we don't want a vacuum. If there's a vacuum, there will be price distortions, an imbalance in inflows and outflows of commodities, so the private sector must be ready to fill any opportunity that is opened to them.

Q: And you see that happening?

A: Yes, and it's very encouraging to see the private sector moving in and taking up these opportunities. We're very happy about it.

Q: What about training a new generation of managers to run these businesses? The University of Yangon now has a graduate program in business. Is a more business-oriented generation being groomed for the market economy?

A: Yes, and it's a very important factor. It is essential that we orient our younger generation toward the market economy. I have young kids in my family and they see the new opportunities in the business sector. The younger generation tends to be more business-oriented.

After 1988 we realized that we also had to re-orient the entire teaching system to be in line with this economic program. So, now, in the universities and schools the basic education in economics has been oriented toward the free market system.

Our ministry has been extending our own resources, as well. The younger generation needs to be exposed to the foreign business community, so whenever the foreign trade delegations go out, they take along younger people so they know what is going on outside the country and get a broader view of what business is like in the world.

Brunei, Malaysia & Singapore

Brunei

Brunei: Thai Prime Minister Reviews Cooperation in Banquet Speech

BK2604143696 (Internet) Thai Ministry of Foreign Affairs WWW in English 23 Apr 96 (Tentative)

["Unofficial translation" of an address by Thai Prime Minister Banhan Sinlapa-acha at a state banquet hosted by Bruneian Sultan Hassanal Bolkiah in Bandar Seri Begawan on 23 April]

[FBIS Transcribed Text] Your Majesties, Your Royal Highnesses, Excellencies, Distinguished Guests, Ladies and Gentlemen,

My delegation and I feel deeply honoured to have been graciously received by Your Majesty during our visit to Brunei Darussalam. I also feel very privileged for the banquet Your Majesty is kindly hosting tonight as well as for the audience granted to me this afternoon.

Thailand and Brunei have long enjoyed smooth and cordial relations. Certainly, over the years, our bilateral relations and co-operative endeavours have strengthened and expanded greatly at all levels — be it between the two Royal Families, governments or private sectors. I therefore feel very honoured to have been invited to pay an official visit to Brunei in my capacity as Prime Minister of Thailand. During this visit, it is my firm intention to strengthen and expand even further our already strong relations and close co-operation for the mutual benefit and well-being of both our peoples.

Indeed, there exist many opportunities for Thailand and Brunei to expand their economic co-operation. We

have been informed that Brunei is presently diversifying her production base in an effort to reduce imports. Thailand is very interested in co-operating with Brunei in this regard. At the same time, Thailand warmly welcomes investment from Brunei, particularly in using Thailand as a springboard for further expansion into other countries in the region which are in the process of liberalising their economies.

In addition to our bilateral relations, Thailand and Brunei have also been co-operating closely in the multilateral fora, particularly under the framework of the Association of South East Asian Nations, the Asia-Pacific Economic Co-operation Forum and the Asia-Europe Meeting. In this connection, I wish to take this opportunity to thank Your Majesty for graciously attending both the Fifth ASEAN Summit and the Asia-Europe Meeting in Bangkok.

To the credit of ASEAN, both meetings were a great success. Indeed, this was due to the valuable contributions made and constructive roles played by Your Majesty and the other ASEAN leaders in promoting and consolidating peace and stability in the East Asian region. Certainly, both meetings succeeded in paving the way for the future strengthening of relations and co-operative endeavours not only within our region but also between Asia and Europe, particularly as the implementation of the various proposals agreed to by both meetings will benefit all the countries of our region.

Your Majesty,

It is my fervent hope that Thailand and Brunei Darussalam will continue to co-operate closely, as we have done in the past, for the mutual benefit of all the countries and peoples in our region.

As I conclude, may I also take this opportunity to extend to Your Majesty my very best wishes for Your Majesty's continued happiness, success and good health so that Your Majesty will remain forever a symbol of unity and a beacon of hope for the people of Brunei Darussalam.

Malaysia

Malaysia: Mahathir Returns From Balkan States Visit

BK2604141096 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 26 Apr 96

[FBIS Translated Excerpt] Prime Minister Datuk Sri Dr. Mahathir said he was disappointed by reports that Bumiputra contractors were falsifying information to obtain government contracts. [passage omitted]

Dr. Mahathir was speaking at a news conference upon his return from visits to three Balkan states this morning.

Malaysia: Daily Haik Mahathir's Visit to Balkan States

BK2704102796 Kuala Lumpur BERITA HARIAN in Malay 23 Apr 96 p 10

[Editorial: "Pioneering Europe Through the Balkans"]

[FBIS Translated Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed has concluded his successful three-day visit to the Balkan states. The prime minister's visit, apart from being successful, also emphasized Malaysia's unwavering moral support for the Balkan states, particularly during the war. Moreover, we have viable follow-up plans to render assistance to these countries. We cannot provide a continuous 'donation' because such a measure will not have an effective impact on the Balkan people. The people will be left with a long-term impact if we provide them with economic opportunities.

Dr. Mahathir's stated pledge to turn the three Balkan states, namely, Bosnia-Herzegovina, Croatia, and Macedonia into gateways for Malaysia's trade into East Europe proves that no barriers exist between Malaysia and those countries. Unquestionably, it is of vital importance that tireless efforts are made to achieve the greater goal of rapid, economic development. It is hoped that Malaysia's encouraging proposal will be warmly accepted by the Balkan states.

As potential gateways, the three Balkan states will definitely reap a greater benefit from trade activities prior to a greater trade volume being channeled to the other East European countries. As a common practice, the three Balkan states could seize the opportunity to export their products to our region. The traders from the Balkan states can independently consider selecting their own trading partners — not only Malaysian traders but also other traders in the region. We would assure them that they will be dealing with more honest trading partners compared with their neighboring counterparts.

A greater economic benefit can be enjoyed by Malaysia, the three Balkan states, and some other countries in our region if bilateral relations exist among these countries. As a result of the technological progress of today, transportation problems are no stumbling block to trading activities.

Transportation is no longer seen as a major obstacle to creating closer trade relations between one country and another. The current efficient and progressive shipping industry can provide easier and more efficient transportation services in handling bigger volumes of cargo. We will not face any problems in exporting foodstuffs and other necessary commodities abroad because our

domestically-produced cars can be shipped abroad for marketing.

In fact the major obstacle that we have faced all along is the sheer reluctance of some parties to cooperate in improving the situation. The West has absolutely refused to make any efforts to improve the economic situation despite its close proximity with these three states. Given its strong prejudice against the three countries, the West considers that it is not its responsibility to render any assistance to the three Balkan states. It prefers to see the disintegration of the three states. The West wants to see the Balkans go on suffering because it would clearly make it easier for the former to keep them under control. This being the case, the Balkan states' neighboring countries are not necessarily their friendliest allies.

Given this situation, let us from afar extend our lasting and deeper understanding. Historically, the West ventured as far as Melaka to conduct trade activities. But in this modern era let us in return venture into those countries close to the West to conduct trade activities.

The purpose of our venture contrasts sharply with the West's concern to colonize other countries. We only want to conduct healthy economic activities, enhance lasting friendships, and ensure that every country progresses and is free from any form of suppression from other powerful counterparts.

We are aware that some Western countries dislike Malaysia's attitude of assisting the Balkan states to improve their economic situation. However, we stand fully committed to extending our assistance to the Balkan states. Without question, we fully support their struggle whether in war or peace.

As a result, we sincerely hope that certain countries will see in Malaysia's efforts to get closer to these countries that are unpopular with the West our desire to ensure that they have equal rights. Let us then try to help them even if the developed nations refuse to assist them. If there are people who see us as trying to become a champion of these countries, let us then boldly admit that we will be a responsible champion. We do not oppress our fellow human beings. What we are doing is only for our just and mutual interests.

However, the government alone cannot undertake all the tasks. The business sectors from the two countries should jointly shoulder such a responsibility.

Malaysia: Trade Minister on ASEAN Decision on Trade Ties

BK2804130696 Kuala Lumpur SUNDAY STAR in English 28 Apr 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] ASEAN will forge links with other regional groupings to find new markets for ASEAN private sectors to invest in other parts of the world, International Trade and Industry Minister Datuk Sri Rafidah Aziz said.

She said ASEAN economic ministers decided yesterday that the grouping would seek linkages with the North America Free Trade Area (NAFTA), European Union (EU) and the Latin American arrangement — Mercosur.

"ASEAN has already established such linkages with the Close Economic Relations (CER) arrangement involving Australia and New Zealand.

"These linkages with other groupings will also seek to draw in investments from the other parts of the world to ASEAN," she added.

Rafidah also said that the ministers endorsed yesterday that ASEAN would collectively oppose any attempts to bring in new issues which were not directly related to trade at the World Trade Organisation ministerial meeting in December.

This, she said, included attempts to link social clauses and labour standards to trade besides calls for an investments code and competition policy which could have adverse effects on the development economies.

Thai deputy prime minister Dr Amnuai Wirawan said that ASEAN ministers were unable to attend a meeting with the United States trade representative on May 17 in Washington.

He said ASEAN had proposed that the US trade representative instead hold the meeting with the ASEAN economic ministers during the next ASEAN economic ministerial meeting in Jakarta in September to discuss WTO related issues.

Malaysia: South Africa Seeks Joint Arms Ventures in Region

BK2704115596 Kuala Lumpur NEW STRAITS TIMES in English 25 Apr 96 p 7

[Correspondent's report]

[FBIS Transcribed Text] South Africa is studying a defence white paper that will lead to a review of the country's defence policy and pave the way for

more joint ventures and co-operation with Asia-Pacific nations.

Its Defence Minister Joe Modise, said yesterday peace and stability in the country had made it possible to look forward to such plans.

"We are fully aware that our future lies in Asia-Pacific where the defence budgets will be big," he said.

He said Malaysia was an important market and could serve as a bridge for South African manufacturers to get into other expanding markets like Taiwan, Singapore, Indonesia, the Philippines and Vietnam.

"South Africa and Malaysia share a vibrant relationship that has led to closer political, social and economic co-operation in recent years," he told newsmen at Pan Pacific Hotel.

Modise was here in conjunction with DSA [Defense Services Asia] '96 being held at Putra World Trade Centre.

South Africa sold arms worth US\$178 million to Malaysia in 1994 and US\$287 million last year.

So far, three joint ventures to produce military hardware have been signed between South African defence firms and Malaysian companies.

The deals are for the manufacture of electro optics, light arms like mortars, electronic counter-measure systems and equipment, and multi-grenade launchers.

Malaysian Optics Systems, SME Industries Group and Mara Holdings are the Malaysian companies involved in these ventures.

Meanwhile, Denel Group's Atlas Aviation will, with Airod Sdn Bhd manufacture, test and market the Oryx, the upgraded version of Eurocopter's SA 330 Puma and the CSH-2 Rooivalk attack helicopter.

Denel, South Africa's largest defence firm with an annual turnover of more than Rand 3 billion (RM [Malaysian ringgit] 2 billion), manufactures missiles and ammunitions.

Modise said Denel Group's defence systems, were much sought after in the Far East due to their reliability and value for money.

South Africa is also offering to sell Atlas Aviation's CSH-2 Rooivalk combat helicopter to the RMAF [Royal Malaysian Air Force].

So far, 12 Rooivalks have been ordered by the South African National Defence Force.

"The SANDF [South African National Defense Force] has an option to purchase more. At the same time, we

are expecting more orders by the end of the year from foreign customers," said Modise.

He also announced that South Africa would host its inaugural defence exhibition at the Pretoria Air Force base between Nov 12 and 16.

Malaysia: Anwar, Brazilian Foreign Minister Hold Talks

BK2604111596 Kuala Lumpur Voice of Malaysia in English 0800 GMT 26 Apr 96

[FBIS Transcribed Text] Brazilian Foreign Minister Luiz Felipe Lampreia called Deputy Prime Minister Datuk Sri Anwar Ibrahim at his office in the Prime Minister's Department in Kuala Lumpur today.

Lampreia, who arrived here yesterday for a two-day visit, discussed among others, trade and investment issues with Anwar, who is also the finance minister.

The Brazilian foreign minister said yesterday that his country was willing to share with Malaysia its know-how on satellite technology, research and development, and hydro power generation. He also said that Malaysia and Brazil have negotiated agreements for investment guarantee and on avoidance of double taxation.

Malaysia: Two Bilateral Agreements Signed With Brazil

BK2704130096 Kuala Lumpur THE STAR in English 27 Apr 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur: Developing countries should work together in the on-going United Nations working committees and raise issues that are important to them, said Foreign Minister Datuk Abdullah Ahmad Badawi.

"Many countries do so at the Non-Aligned Movement (NAM) and G 15 [Group of 15] meetings. They can also do so at these UN committees which are open to all member countries.

"Being Third World countries, the only way to put across their points of view is to participate in such committees and to work together," he told reporters after the signing ceremony of two bilateral agreements on the partial visa abolition and a trade agreement between Brazil and Malaysia yesterday.

Brazil was represented by its Foreign Minister, Luis Felipe Lampreia, who is here on a two-day official visit.

"Malaysia and Brazil as G 15 members, believe the UN must not be a tool of the developed countries," Badawi said.

Earlier, Badawi said the agreements signified and strengthened the growing ties between Malaysia and Brazil.

"These agreements can give businessmen from both countries the confidence to invest in each others' countries," he said.

Lamprea echoed his sentiments and added: "Malaysia and Brazil now have the political will to pursue even further joint co-operation."

Lamprea also called on the Deputy Prime Minister.

They discussed, among others, trade and investment issues.

Malaysia: Prime Minister on Politician Rejoining UMNO

BK2904080296 Kuala Lumpur UTUSAN MALAYSIA in Malay 29 Apr 96 p 1

[Report by Yusri Sahat and Nizam Hamid]

[FBIS Translated Text] Tengku Razaleigh Hamzah, president of the Malay Party of the Spirit of 46, need not wait for an invitation from UMNO [United Malays National Organization] to rejoin the party.

Datuk Sri Dr. Mahathir Mohamed said it has become UMNO's tradition not to extend an invitation to anyone wishing to rejoin UMNO. The prime minister said he himself was sacked from UMNO previously and rejoined the party without being invited.

Speaking to reporters after hosting an open house in conjunction with 'Id-al Adha [Muslim feast] at Jitra Hall here this afternoon, he said: "I was previously sacked from UMNO and then rejoined the party... I submitted a request."

The prime minister said this when asked to comment on Tengku Razaleigh's statement indicating the possibility that he would rejoin UMNO if the party extends a formal invitation. Tengku Razaleigh, who considered himself an UMNO member for decades, is also prepared to meet with Dr. Mahathir again to discuss the matter.

Meeting

Making a statement soon after returning from a visit abroad last Friday, Dr. Mahathir admitted that he and the Spirit of 46 party president met recently to discuss several issues, including the political one. According to the prime minister, Tengku Razaleigh is no different from anyone else applying to become an UMNO member without a formal invitation being extended. Asked if Tengku Razaleigh would be given any special position if he were to rejoin UMNO, Dr. Mahathir said this issue did not arise. The prime minister added that

Malay solidarity would not be affected regardless of whether Tengku Razaleigh rejoined UMNO.

Earlier, the prime minister and his wife, Datin Sri Dr. Siti Hasmah Mohamed Ali, played host to about 5,000 guests from various races and religions at the function. Also present were Kedah State Chief Minister Tan Sri Osman Aroff, members of the State Executive Council, state assemblymen, and senior state officials.

Malaysia: Mahathir Confirms Meeting With Leader of Breakaway Party

BK2704104296 Kuala Lumpur THE STAR in English 27 Apr 96

[Report by Shamsul Akmar and Nick Leong — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Datuk Sri Dr. Mahathir Mohamed confirmed yesterday he met Tengku Razaleigh Hamzah and discussed, among other things, the political environment and the economy.

Dr. Mahathir said the meeting with the Parti Melayu Semangat 46 [Malay Party of the Spirit of 46] president took place on April 14 before the Prime Minister left for his official visit to the Balkan states.

Speculation had been rife recently that the two leaders had met, leading to talk that Tengku Razaleigh was preparing to rejoin UMNO [United Malays National Organization].

The meeting fuelled talk that Semangat, formed by dissatisfied UMNO leaders in 1988, would return to UMNO's fold.

Asked whether Tengku Razaleigh was preparing to rejoin UMNO, Dr. Mahathir said:

"He did not express such intentions during the meeting. I do not know if he had expressed such intentions to others," he told reporters on his return from the Balkans.

"If the speculations are true, then 'alhamdulillah' (praise to Allah)."

Dr. Mahathir, who is UMNO president, would not say how the meeting would affect Malay unity.

Asked if he had invited Tengku Razaleigh to rejoin UMNO, Dr. Mahathir said the invitation had been extended a long time ago.

However, he said it was meant not only for Tengku Razaleigh "but also all Malays who are committed and want to struggle for the Malay cause through the UMNO way, which is to put up its struggle together with other races in the Barisan Nasional [National Front]."

To another question, Dr Mahathir said the party would not consider any application from Semangat to join Barisan as a component party.

"We cannot have two Malay parties in Barisan because it will lead to crossovers. Whenever some members of one party is dissatisfied with their party, they will cross over to the other and vice-versa," he added.

Semangat information chief Ahmad Shabery Chik said the party viewed Dr Mahathir's statement as positive.

"In fact, the meeting (between Dr Mahathir and Tengku Razaleigh) is positive for Malay unity and is in the national interest as well.

Kelantan Menteri Besar [Chief Minister] Datuk Nik Abdul Aziz Nik Mat said rumours of Tengku Razaleigh taking Semangat out of the Angkatan Perpaduan Ummah [Islamic Unity Front] (APU) was an "old story."

"The solidarity of APU component parties remained unaffected," he said, adding that the administration of the state would "go on as usual."

Malaysia: Opposition Leader Reports No Plans To Rejoin Ruling Party

BK2804133796 Kuala Lumpur SUNDAY STAR in English 28 Apr 96

[Report by Nick Leong — received via Internet]

[FBIS Transcribed Text] Kota Baru — Parti Melayu Semangat 46 [Malay Party of Semangat 46] president Tengku Razaleigh Hamzah said "everything is possible in politics" although he has no immediate plans to rejoin UMNO [United Malays National Organization].

Declining to dismiss the possibility of him rejoining UMNO of which he was once a vice-president, he said: "If joining UMNO will strengthen Malay unity and my party supports me, then I will do it.

"But we have not come to that bridge yet. Anyway, who am I? What is so important about me joining UMNO?"

Tengku Razaleigh, who spoke to reporters at his residence, Palm Manor, here yesterday, said he was prepared to do anything if it would strengthen Malay unity and benefit the country.

"There are people who interpret my recent meeting with Dr Mahathir as preliminary or exploratory to my joining UMNO. I am telling you in all honesty that there is no plan as yet.

"For me, it was an opportunity to share views. Whether it could be pursued further to become more concrete and certain remains to be seen," he said.

Tengku Razaleigh said he was amused by the comments of some UMNO leaders that he should not set any conditions to rejoin UMNO.

"I am not motivated by posts. I have been a senior minister and have been considerably luckier than most," he said.

He said rumours about him being unwilling to rejoin UMNO because he could not see eye-to-eye with Prime Minister and UMNO president Datuk Sri Dr Mahathir Mohamed were not true.

"I am not against Dr Mahathir. I drink tea with him. I have known him for so long — over 30 years — unlike some of you (the media) or even those in the Government," he said.

Asked what were the main obstacles preventing him from rejoining UMNO, Tengku Razaleigh said there were certain things done by UMNO leaders which he disagreed with.

"But we can set it aside and find ways of strengthening Malay unity. Although we (Semangat) are a small party, I believe we can play a role."

Asked if his refusal to rule out rejoining UMNO could cause uneasiness among other Angkatan Perpaduan Ummah (APU) [Islamic Unity Front] component parties, Tengku Razaleigh said: "What is there to be uneasy about if by rejoining UMNO, Malay unity will be strengthened?"

He said Semangat had also co-operated with the Democratic Action Party (DAP) and Parti Bersatu Sabah (PBS) [Sabah United Party] and was a member of APU along with PAS [Pan Malaysia Islamic Party], Hamim and Berjasa parties.

Malaysia: Two Opposition Parties Clash 'Openly' in Kelantan

BK2904095696 Kuala Lumpur THE STAR in English 29 Apr 96

[Report by Nick Leong and Anthony Tan — received via Internet]

[FBIS Transcribed Text] Kota Baru — PAS [Pan Malaysia Islamic Party] and Parti Melayu Semangat 46 [Malay Party of Spirit 46] leaders clashed openly yesterday in a no-holds-barred slanging match triggered by their opposing stands on the move to amend the Kelantan constitution to clip the Sultan's powers.

In an unprecedented outburst, Kelantan PAS commissioner Datuk Nik Abdul Aziz Nik Mat dismissed Semangat president Tengku Razaleigh Hamzah's state-

ment that PAS should have consulted its allies on plans to amend the state constitution.

"There is no need to consult Semangat 46 because the party is dead and gone (hancur dan musnah)," he said.

In an immediate response, Tengku Razaleigh warned the PAS leader: "I do not want to pick a fight, but don't ever insult me or my party."

He reiterated that PAS should consult other component parties in Angkatan Perpaduan Ummah (APU) [Islamic Unity Front], which rules Kelantan, before making any decisions.

"Nik Aziz should remember the people voted for APU and APU continues to exist. As long as we are allies, we should consult each other," he told reporters before a Semangat state liaison committee meeting.

"If we go on listening to Nik Aziz's ramblings, we will go mad. He has become too arrogant for an ulama [Islamic scholar]."

Tengku Razaleigh said the menteri besar's [chief minister] attitude was not reflective of Islamic leadership which advocated consultation among partners.

"This is the attitude of a dictator because other PAS leaders are in the dark about this matter," he said. Earlier at his residence at Pulau Melaka, Nik Aziz said Semangat had "ceased to exist" when Tengku Razaleigh admitted that his heart was still with UMNO [United Malays National Organization].

"Although he (Tengku Razaleigh) has yet to join, he has stated his intention by admitting his heart is still with UMNO.

"If he is no longer around, then automatically, Semangat will be destroyed because nobody will take over," he said.

Last Saturday, Tengku Razaleigh said everything was possible in politics although he had no immediate plans to rejoin UMNO.

He said APU component parties should not feel uneasy about the possibility of him joining UMNO if it was towards a bigger objective (of achieving Malay unity).

"Nik Aziz was also a former UMNO member," he said.

Tengku Razaleigh, the uncle of the Kelantan Sultan, said Semangat would oppose any move by PAS to amend the state constitution to reduce the powers of the state's ruler.

Nik Aziz said consultation with Semangat would not bring about any positive outcome because "PAS does not trust Semangat any more."

He had announced recently that the Kelantan Government would adopt Federal amendments to define the powers of the Menteri Besar and the palace in a bid to stop the Sultan's interference in state administration.

However, Semangat had condemned the move, saying it amounted to a betrayal of the rulers.

Nik Aziz said PAS wanted to amend the constitution for the benefit of the people and to ensure uniformity with other states.

"We do not think it is treason because the Rulers Council has approved it," he said, adding there were no Malays who did not love their sultans.

In Alor Star, Prime Minister Datuk Sri Dr Mahathir Mohamed declined to comment on the clash between the leaders of PAS and Semangat.

"Nik Aziz has a right to express his opinion," he said.

On Semangat's refusal to support PAS' move to amend the Kelantan constitution he said: "Even without Semangat, PAS still has a majority."

PAS has 24 seats in the Kelantan legislative assembly; Semangat holds 12 while UMNO has seven. To amend the constitution, PAS needs a two-third majority of 29.

Malaysia: Defense Ministry Wants Report on Air Force Resignations

BK2804142896 Kuala Lumpur SUNDAY STAR in English 28 Apr 96

[Report by Raslan Baharom — received via Internet]

[FBIS Transcribed Text] Ipoh — The Defence Ministry wants a comprehensive report from the Royal Malaysian Air Force (RMAF) on why many of its pilots and technicians are leaving the service prematurely.

Minister Syed Hamid Albar said it was important to know the extent of the problem in order to overcome them and ensure that operations were not affected.

"The Government is willing to introduce more perks to discourage RMAF personnel from leaving prematurely if the problem is very serious," he said.

Syed Hamid was commenting on a Bahasa Malaysia [Malay language] newspaper report on Saturday which quoted acting Armed Forces chief Mejar Jeneral [Major General] Datuk Ahmad Saruji Che Rose as saying that many RMAF pilots and technicians had left for the private sector after serving for short periods.

He said the report would be tabled at the Armed Forces council meeting for discussion.

"From there, we will forward the council's recommendations to increase perks that are lacking for the Government's consideration," said Syed Hamid.

"It is normal for (army) personnel to resign but I want to get a full report to know the extent and its effects on the operations of the Armed Forces," he added.

Syed Hamid said there was some discontentment about the flying allowance paid to pilots but it had been increased since then.

He said this after meeting Mentri Besar [Chief Minister] Tan Sri Ramli Ngah Talib at his office here yesterday.

Ahmad Saruji had also said that RMAF needed to reorganise its structure and improve its promotion prospects to discourage RMAF personnel from leaving for the private sector.

When asked about the purpose of his meeting with Ramli, Syed Hamid said it was merely to discuss Perak's privatisation move which also called for the relocation of some army bases here.

Malaysia: Minister on 'Approaches' To Enhance Regional Security

BK2704103696 Kuala Lumpur THE STAR in English 27 Apr 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia has proposed three approaches to enhance the security linkages in Asia-Pacific region — including increasing the investment in defence.

Defence Minister Datuk Syed Hamid Albar said yesterday countries in the region must continue to invest in defence to achieve national resilience, peace, and stability.

"The approach would ensure the climate is conducive to economic development and that it would also uplift the quality of life," he said in a panel discussion at the Defence Service Asia '96 (DSA) exhibition and conference here.

The second approach, the minister said, was the creation of a "spider-web" concept where each member country would foster closer relations with each other on a bilateral basis.

"The process would create a multiplicity of bilateral relations which will enhance mutual and regional understanding," he said.

The final approach was to continually seek high-level security dialogues to build multilateral confidence.

He said the approach would foster greater regional understanding and consensus on respective national defence policies.

The Malaysian government also proposed that any plan to enhance security in the Asia Pacific should also focus on the research and development of weapons technology.

He added the countries should also create a corpus of laws and regulations in defence based on regional consensus.

"A regional security council should be established which has certain binding political and legal authority to deal with issues such as territorial disputes, economic, and trade problems," he said.

Malaysia: MOU's for Potential Joint Ventures Signed at Arms Fair

BK2704103896 Kuala Lumpur THE STAR in English 27 Apr 96

[BERNAMA Report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur: At least 10 memorandums of understanding (MOUs) for potential joint ventures were signed at the four-day Defence Services Asia (DSA '96) exhibition which concluded in Kuala Lumpur yesterday.

Contracts signed during the exhibition included one awarded to Camtech of Australia for camouflage face paint for the Malaysian army, and another worth RM2.5 million to British electronics company Power Magnetics and Electronics Systems Ltd to refurbish the Royal Malaysian Navy's Lumut base magnetic measurement and treatment range through its local partner Syuen Construction Sdn Bhd.

Australian shipbuilders Transfield Defence System Pty Ltd, one of the six bidders shortlisted for Malaysia's RM [Malaysian ringgit] 5 billion Offshore Patrol Vessel, signed pacts with Rasma Corp and other potential suppliers and vendors.

Rasma Corp, a bumiputra [indigeneous people] company, also signed an MOU with giant British conglomerate, Vickers PLC to manufacture and assemble marine products, propellers, ship stabilisers, steering gears, line shaft bearings and marine diesel generator sets.

The partnership is expected to create spin-offs in downstream industries.

DRB-Hicom signed MOUs with Mowag of Switzerland, Hagglunds Vehicle AB of Sweden and Alvis Vehicles Ltd of Britain for distribution rights and local assembly of the Mowag Pirahna 8x8 army trucks, Hagglunds

BV206 All Terrain Vehicles and Alvis Supacat All Terrain Vehicles, respectively.

Perstima Maritime Sdn Bhd and Sundin Dockstavarvet AB of Sweden signed an MOU for the manufacture of the CB90H Combat boat which drew overwhelming response from the armed forces, police and Customs authorities.

A total of 626 exhibitors from 43 countries participated in DSA 96.

Singapore

Singapore: Navy Acquires New Anti-Missile Defense System

BK2604140896 Singapore THE STRAITS TIMES in English 23 Apr 96 p 1

[Unattributed report]

[FBIS Transcribed Text] The Republic of Singapore Navy (RSN) has bought the Barak anti-missile missile air defence system to equip six of its warships.

Designed to protect ships against missiles, the new missiles will be fitted on the navy's fleet of six Missile Corvettes.

The Deputy Prime Minister and Defence Minister, Dr. Tony Tan announced the navy's acquisition of the new missile system while on a visit to the navy's First Flotilla at Tuas Naval Base yesterday.

Other RSN ships, such as the Missile Gunboats and Landing Ship Tanks, are already armed with surface-to-air missiles like the Matra Mistral.

Each Corvette — the navy's principal strikecraft — is already fitted with eight Harpoon anti-ship missiles, six Whitehead anti-submarine torpedoes and a 76 mm gun.

Said Dr. Tan: "To enable the navy to fulfill its mission, we must continue to enhance the capability of our ships so that, together with the army and air force, the navy can contribute towards maintaining the SAF [Singapore Armed Force] as a credible and effective defence force."

The Barak missile is about 2 m long and weighs 98 kg. It can intercept and destroy approaching enemy missiles fired from ships or from aircraft.

Each missile has a range of 10 km and can travel at twice the speed of sound.

Every Corvette will carry two vertical missile launchers — one on either side of the ship — each housing eight missiles.

Dr. Tan declined to reveal the cost of the new missiles.

One Corvette, the RSS Valour, was fitted with the new missile launchers early this year.

When a ship's radar identifies a hostile target, the Barak will determine the height of the an approaching threat and launch the missile automatically. Each system is manned by one man.

"By modernising and upgrading our ships and equipping them with suitable weapons systems as they become available, we can extend the operational life of our ships and enable them to fulfill the mission and roles in our defence which they have been assigned," he said.

Five other Corvettes will be equipped with the new missiles soon. It would take about a year or so before they are fully operational, he said.

A Ministry of Defence statement said the missiles would be installed during the routine re-fit of the ships. It added:

"The acquisition of the Barak system is part of the SAF's efforts to constantly upgrade itself to remain an effective fighting force, dedicated to the twin roles of protection of the Sea Lines of Communications and the seaward defence of Singapore."

Cambodia

Cambodia: Hun Sen Threatens Opponents With Use of Force

BK2704180196 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 27 Apr 96

[Speech by Cambodian Second Prime Minister Hun Sen at a nursing school graduation ceremony in Phnom Penh on 27 April — recorded]

[FBIS Summary] In his 120-minute speech at a ceremony to confer certificates on midwives, laboratory technicians, and physiotherapists at a Phnom Penh medical school on the morning of 27 April, Second Prime Minister Hun Sen discusses the appointment of officials at various ministries and in various positions, saying that from now on, any person who wants to be the governor of a city, a province, or a district should "be a graduate from the Royal Administration School."

Hun Sen gives an account of the country's health problems and discusses the public health issue. He urges the graduates to do their utmost to provide medical care to the people. He says: "All of you should care for the people's health to the best of your ability and without discrimination." The second prime minister also calls on the graduates to promote human rights by providing good medical care to the people throughout the country.

Hun Sen denies that he has tried to consolidate his power through the rural development process and says he is powerful because "the people believe in what I have said" and "because I will do what I have said" within the framework of the Constitution.

Commenting on a demonstration that a group has planned in Paris, Second Prime Minister Hun Sen said: "Today at 1430 in Paris, they will stage another demonstration against us. I do not know why. Anyway, I just want say that a demand should be made only within the framework of the Constitution and that nothing should be asked beyond what the Constitution permits. Should you demand to dissolve the National Assembly or the government or to damage the Constitution, Hun Sen wishes to declare that military force will be used to destroy you. You are not allowed to destroy the Constitution at will. If you dare to damage the Constitution, you should not forget that Hun Sen will use military force. What Hun Sen dares to say, he dares to do, and he has the forces to do it. Don't forget."

"It is O.K. if you only demand what is defined in the Constitution. All in all, you should come to see with your own eyes the concrete situation in Cambodia and what exactly is being done here."

"You demand respect for human rights. Do you not see anything here at present? You want the right to call back Pol Pot to chop off your head, don't you? You see, now even newspapers have the rights to insult the king."

"The other day, as I was unwilling to give an interview, I accompanied a Belgian to Krang Yov. He was unable to jump over a canal there in order to follow me. I then said to myself that that guy does not know democracy in the countryside. He does not know what the people need. At that time, I told him in the presence of some students that what the rural people need is the right to develop their areas and to have wells, canals, roads, bridges, hospitals, and schools built. It is not the right to hurl insults at each other in Paris, Belgium, Washington, or Phnom Penh."

"Some people want to dissolve the Constitution and National Assembly before the 1998 general elections. I wish to tell you that only a military coup has the right to dissolve the National Assembly. If you stage the coup, however, I will deal with you severely. Do not forget. I will act, and I have the forces to do it. I only protect the Constitution. I am not afraid. This Constitution and this National Assembly are not for you to dissolve like a joke."

"The Constitution clearly stipulates that the term of the National Assembly is five years and that the National Assembly cannot be dissolved before its term, except

when the government is deposed twice within a period of 12 months. In that case, the prime minister and the assembly chairman should propose to the king to dissolve the assembly in order to organize elections. You should look clearly at the Constitution. I do not want to be awkward, but you should look clearly at it. If you are still unclear, you should look at it over and over again."

Hun Sen continues: "While the people are in need of development, those (?politicians) want to dissolve the government and the assembly in order to organize new elections. You should not try to organize the elections if you have less than \$20 million. A lot of money should be spent to organize elections. So, there will be no elections before the assembly's term expires. Do not get too excited."

"You can make your demand in France, but never try it in Phnom Penh. Be careful! I will act. I will use military force to deal with you. I am not going to stage a coup d'etat, but I should act to oppose a coup that aims at dissolving the Constitution. I have forces, and I will act to [words indistinct] because force is needed to protect the Constitution. I only strive to protect the Constitution. I will not stage a coup. Instead, I am opposed to a coup [words indistinct]. At this point, I am only talking about an attempt to dissolve the National Assembly or the government or to act against the Constitution."

"They say I am powerful. Yes, my power is here. If you commit an offense, I will use force to deal with you according to the law. I am not wrong. I will be wrong if I stage a coup d'etat to topple the throne. If, however, I only act to protect the throne and the Constitution, I am doing nothing wrong. Only those who act against the Constitution are wrong. So, I just want to warn you. If anybody here wants to they can telephone and tell those in Paris that they should not overreact. They will demonstrate in Paris today at 1900 local time."

"Your Excellency from France [addressing an official], you should telephone and advise them not to overreact. It is not possible for them to overreact."

"I will do everything within the power given to me by the Constitution. I am empowered to give orders to the Army and Armed Forces to protect the Constitution. This is my power."

"Before something happens in Paris, someone might telephone Paris [words indistinct]. They want to demonstrate in France, and they also want a demonstration to be staged in Phnom Penh as well. So I wish to tell you not to forget that if you have the right to demonstrate, other people also have the right to demonstrate. Hun

Sen also has the right to lead a demonstration on behalf of a political party. You should never forget that. If you use your right, you should not forget that others will use their right too. If you have the right to demand the dissolution of the government or the National Assembly, I also have the right to lead a demonstration to protect the Royal Government of Cambodia [RGC] and the Assembly from being dissolved early. This should be perfectly clear."

"Journalists, please tape this carefully and write it down clearly in order to prevent distortion. If AFP or UPI reports this, it should point this out clearly. Please do not exaggerate. You should report that I will certainly use force to protect the Constitution. The Constitution allows to me to act against a coup d'etat, secession, and others. So, I should act according to the law. I will do nothing against the law."

"I do not know who will act and what will be done. If you want to try, however, please go ahead. I have already prepared everything. I just want to tell you this because of my generosity. I am already completely prepared. This is the fifth time that I have declared the use of force if a coup d'etat is carried out to dissolve the Constitution."

"Moreover, early elections, which are not allowed by the Constitution, are not necessary because the people are in need of political stability. We have done a lot of things over the past three years, and the spirit of national reunification is fine. Nonetheless, what we have achieved has now become a present for the Khmer Rouge. I accuse nobody, but this has brought about a very harmful impact."

"Nothing significant has been achieved, but the people are already divided. This is why I always appeal to them to stay calm. If politicians bicker, the people and those at the lower levels should not quarrel. The politicians should be left to play with each other."

"Moreover, with my remarks that \$20 million at least should be spent if elections are organized, a (?pro-Khmer Rouge) group spread propaganda in the United States that Hun Sen does not want the elections to be held in 1998. I said to myself that this is another offense. I wish to say that the elections should take place as scheduled. They cannot be held before or after the schedule. This is my official stance and the official stance of the Cambodian People's Party."

Going on to discuss the controversial law on nationalities, Hun Sen says that people, including foreigners, can apply for Cambodian citizenship if they can fulfill all legal requirements and that all politicians cannot have dual nationalities. They should have only one nation-

ality; that is, the Cambodian nationality. Hun Sen also stresses that people who have dual nationalities "may not stand in general elections."

Concerning rifts within some political parties and the Cambodian Journalists Association, Hun Sen denies that he has been the cause of the divisions.

Hun Sen comments on move to topple him and says that the easiest way to knock him down is for his opponents to build more schools, hospitals, roads, and so on than he does.

Before concluding, the second prime minister promises to increase salaries for medical professors and to provide assistance to medical students.

Cambodia: Sihanouk Responds to Hun Sen's Threat To Use Force

*BK2804112996 Hong Kong AFP in English
0346 GMT 28 Apr 96*

[FBIS Transcribed Text] PHNOM PENH, April 28 (AFP)—Cambodia's King Norodom Sihanouk on Sunday forcefully denied he or any members of the royal family were planning to violate the country's constitution or form a group opposed to co—Premier Hun Sen and his Cambodian People's Party (CPP).

"We are not forming and will never form a group of anti-Hun Sen or anti-CPP plotters," the King said in a declaration from Paris where he has just finished a state visit.

"We have no intention, no desire to violate the current constitution of the Kingdom of Cambodia."

King Sihanouk's declaration followed a warning from Hun Sen, the leader of the formerly communist CPP, who on Saturday said any attempt to dissolve parliament or the government would be met with military force.

"If they destroy the constitution, we will dare to use force," Hun Sen said in a speech to medical students that was filled with references to military might and defending the constitution.

Hun Sen did not single out the royal family or the royalists FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party for the warning. But first Prime Minister Prince Norodom Ranariddh, the king's son, heir apparent and leader of FUNCINPEC, threatened last month to withdraw the party from government and possibly parliament.

The prince complained that the CPP had not followed through on agreements to share power at all levels of government.

The prince, the king and two exiled heirs to the throne were all in France this weekend and were expected to meet, fueling speculation that political discussions might be on the agenda.

But King Sihanouk said Prince Ranariddh and FUNCINPEC had no intention of withdrawing from the government or from the national assembly, adding that he "deplored the hostility and injustice in this regard in the pro-Hun Sen and pro-CPP Cambodian press."

And the king added that he himself had no "intention of descending into the political arena."

Hun Sen also said Saturday he would counter anti-government demonstrations which called for the dissolution of parliament and the government.

Such a demonstration was scheduled for Sunday outside the Cambodian embassy in Paris and was expected to be attended by Sam Rangsi, the leader of the banned opposition Khmer Nation Party and a former senior FUNCINPEC official.

Hun Sen warned that if anyone tried to launch similar demonstrations in Phnom Penh, he would lead to a rival demonstration.

King Sihanouk sought remove any question of the royal family's involvement in anti-government demonstrations.

"Neither I, nor Prince Ranariddh, nor FUNCINPEC are with Sam Rangsi or his counterparts," the monarch said.

"We have much respect for Hun Sen and the CPP. We are not and will not be responsible for anti-Hun Sen, anti-CPP, or (anti- government) demonstrations.

Cambodia: Government Denies Involvement in Western Hostage Deaths

LD2704110096 Melbourne Radio Australia in English 0700 GMT 27 Apr 96

[FBIS Transcribed Text] The Cambodian embassy in Australia has dismissed allegations by Sam Rangsi, the former Cambodian finance minister, that the Phnom Penh Government was knowingly involved in the death of three Western hostages. The embassy has issued a statement accusing Rangsi of pursuing his own ends by accusing the Cambodian Government of conspiring with the Khmer Rouge commander in the kidnapping and killing of the three in 1994. The Khmer Rouge commander has since defected, and now holds a senior position in the Cambodian Government army. Mr. Rangsi claims the government allowed the kidnapping and killing of the three, including Australian David Wilson, to prompt the international community to increase military aid to fight the Khmer Rouge.

Cambodia: Ranariddh Urges Measures To Stamp Out Corruption

BK2704114896 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 26 Apr 96

[Speech by First Prime Minister Prince Norodom Ranariddh at the opening of the conference on corruption at the Sofitel-Cambodiana Hotel in Phnom Penh on 25 April — recorded]

[FBIS Summary] Cambodian First Prime Minister Prince Krompreah Norodom Ranariddh gave a 30-minute speech at the opening of a conference on corruption at the Sofitel-Cambodiana Hotel in Phnom Penh.

The prince began his speech by thanking the organizers for having sponsored the conference "to seek measures to solve the problem of corruption, which is a social disease creating injustice. We should therefore resolve to solve and wipe out corrupt practices once and for all."

The first prime minister told the gathering: "I myself have never denied corrupt practices that have occurred in Cambodian society or in the Royal Government [RG]." However, he pointed out that over the past two years and more, the RG has managed "to almost completely eliminate corruption in the educational sector."

The prince further said that to deal with corruption in an effective manner, the Supreme Council of the Magistracy — which has to be autonomous, independent, and free from the influence of any political parties, groups, or individuals — should be established as quickly as possible, and a national anti-corruption commission to be set up soon should be completely independent and neutral as well.

He stressed that in view of the Constitution, all of the people, without distinction, should be equal before and under the law, regardless of whether they are poor or rich, a big shot or an ordinary citizen. He asked the anti-corruption commission to cooperate with various concerned ministries to organize and launch anticorruption campaigns.

As part of the move to stamp out corruption, Prince Ranariddh said measures should also be taken to increase civil servants' salaries and to make the people better off, adding that an anti-graft law should be codified and enforced as quickly as possible.

He further said: "As for myself, I am determined to take all kinds of measures to eliminate the disease of corruption from our society so as to prevent it from spreading unchecked into all sectors."

Commenting on corruption within the governmental and administrative apparatus, the prince said "the one-stop Council for the Development of Cambodia [CDC] will be useless if we cannot eliminate the so-called red tape," which is a considerable obstacle to investments in Cambodia.

Concerning the antigraft legislation, Prince Ranariddh said the RG will accelerate the drafting of the "important and urgent law" so as to present it for the approval by the National Assembly. After being adopted, the law, he added, will be scrupulously enforced by the RG against all corrupt officials without distinction.

With regard to FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] officials, the prince said: "In my capacity as the FUNCINPEC chairman and a prime minister of the RG, I wish to declare solemnly that I will immediately remove any FUNCINPEC official found clearly to have committed corruption that harms the national interests."

The prince further said the national leadership should be made clean, transparent, and efficient, otherwise it will become corrupt, inactive, and directionless and will not cater to the supreme interests of the nation and people. Our nation, he added, cannot prosper if we do not have the "trust, confidence, and support of and cooperation from the people, who are the owners of the country and the ballot papers."

Cambodia: Leaders Shuffle Duties Due to Chea Sim's Hospitalization

BK2804154996 Phnom Penh National Radio of Cambodia Network in Cambodian
1300 GMT 28 Apr 96

[FBIS Translated Text] An official of [National Assembly Chairman] Samdech Chea Sim's office said on the afternoon of 20 April that the duration of Samdech Chea Sim's stay in Singapore depends on the decision of the doctors there. There has been no report yet, however, on the date of Samdech Chea Sim's return. Samdech Chea Sim left unexpectedly for Singapore on the morning of 25 April for medical treatment.

It should be recalled that Samdech Chea Sim was acting head of state when the king left for France on 18 April. Because Loy Simchheang, National Assembly first vice chairman, was also in France, the position of acting National Assembly chairman was assumed by the National Assembly second vice chairman, namely Son Soubert.

Son Soubert has assumed the position of acting head of state due to Samdech Chea Sim's trip to Singapore. At the same time, the position of acting National Assembly

chairman, who is the person responsible for chairing Assembly meetings, has been left vacant. According to Cambodian law, the acting head of state cannot be acting National Assembly chairman and preside over Assembly meetings. The National Assembly could not meet on 25 April for this reason. The Assembly meeting was also postponed on 24 April because of the Council of Ministers' meeting.

To fill this vacancy, Loy Simchheang was asked to return to Cambodia on the afternoon of 25 April to assume the role of acting head of state and to allow Son Soubert to assume the role of acting National Assembly chairman. It is expected that the Assembly meeting could resume normally on 29 April.

With regard to Samdech Chea Sim's health, Chea Sim's adviser Chhang Song told the CAMBODIA DAILY that Samdech Chea Sim has not been well for five days already. It is believed that the samdech has an infection in the upper part of the back, which has caused a severe headache. Samdech Chea Sim left for Singapore on the aircraft usually used by the prince krompreah [First Prime Minister Ranariddh]. Chhang Song also noted that this is the second time this year that Samdech Chea Sim left for medical treatment abroad. He further said the samdech was hospitalized in Singapore on the eve of the Cambodian New Year; however, the treatment was unsuccessful.

Cambodia: Hun Sen Criticizes Advocates of Foreign Aid Cut

BK2604113796 Phnom Penh National Radio of Cambodia Network in Cambodian
0500 GMT 26 Apr 96

[Speech by Cambodian Second Prime Minister Hun Sen at the opening of a project to restore the water distribution network at the Phnom Penh water works on 26 April — recorded]

[FBIS Translated Excerpt] [Passage omitted greeting the gathering, thanking Japan and Japanese ambassador for assistance to Cambodia, and discussing efforts to build water works in Cambodia since Sangkum Reas Niyum era and people's need for clean water] On this occasion, on behalf of the Royal Government of Cambodia [RGC] and the prince krompreah first prime minister, I would like to appeal once again to all friendly countries and to Japan to continue aid for the further development of the clean water distribution system to serve the people's needs. I think any call to cut aid or set preconditions for aid only means putting pressure on the livelihood of innocent people. Even to expand democracy and human rights, it is not imperative to keep the people from having water. All the aid that the RGC has received in

the past has reached the people's hands. This aid has not helped to consolidate anyone's power. On the contrary, any power that exists now is power given by the people through their love for a leader. Cutting promised aid or attempting to set political conditions for aid will do nothing but disappoint the people.

Samdech, Venerables, Excellencies, Ladies, and Gentlemen: I raise this matter only because some Cambodian politicians have been travelling to ask foreign countries to cut their aid to the Kingdom of Cambodia. This really is too much. Aid cuts will not kill Ranariddh, Hun Sen, or the handful of government officials. Any aid cut or setting of preconditions on aid will just bring pressure on the people's lives. I appeal to government officials, workers, and peasants to struggle against any individuals that go abroad to ask foreigners to cut aid to the Cambodian people. It is evident that the aid we are receiving today is being given to the people.

I do not understand how they can dare tell foreigners that the aid goes into the leaders' pockets. They say this to the Japanese or the Americans despite the fact that the money for the construction of these things is in the hands of the Japanese or the Americans themselves. Please ask around and see whether the more than 1 billion yen to build this water network is in the hands of Ranariddh and Hun Sen or the Japanese themselves. The bidding was even done in Tokyo. The bidding for the 10-megawatt electric plant aided by Japan was also held in Tokyo. The bidding for the construction of the Cambodia-Japan friendship bridge was also held in Tokyo. We have received nothing except for what we are doing today; that is, to cut the ribbon and open it for public use. That is all.

Therefore, I hope that the royal government and the governments of the aid donor countries will make a thorough investigation before taking any action or making any comment regarding the RGC. No country can accept unfair treatment from any other country. Moreover, even if there are concerns about human rights or democracy, they should not deprive the people in this country of food or water. The distribution of clean water here benefits the people. Ranariddh and Hun Sen alone cannot drink or use a million or tens of thousands of cubic meters of water a day. I think that at most, His Excellency Chhim Siekleng will use only a little more than the international standard; that is, from 250 to 260 liters per day. Even with many more Chhim Sieklengs, it would be impossible to use more than that.

Therefore, I think the continuation of aid will certainly help enhance the value of human rights and democracy in Cambodia. No one can make starving or dying people call for the creation of political parties or democracy.

Thus, I hope the countries that will attend the coming Tokyo meeting on aid to Cambodia will certainly not be carried away by the criminals who demand a cut in aid to the Kingdom. I hope that our compatriots will join with the RGC in opposing these culprits if they intensify their activities, and that students, intellectuals, and the armed forces will support the RGC in its efforts to defend our territory and the happy life of our people. Moreover, in the past few days there seems to have been an uproar about the distribution of aid to the RGC reinforcing the RGC's power. I do not understand this at all. How can the RGC's efforts to solve problems for the Cambodian people be interpreted as reinforcing its power?

There has also been much talk in the past months and weeks about who is more powerful or stronger than whom. I would like to take this opportunity to stress that in Cambodia no one is more powerful than anyone else. No one is stronger than anyone else. The problem is whether or not a leader's statement is respectable, heeded, and followed. That is the problem right there. Leaders in any high position will not be able to hold power if they keep lying. No one will listen to them. Thus, to enjoy the (people's support) or power, the most important thing is for a leader to do as he says. Otherwise, he should not say a word. If he says he is going to do something, he should do it. Do not lie. That is all. This is a lesson that I want to tell anyone who wants to learn how to reinforce his power — do not understand why they say that Hun Sen is doing this or that to strengthen his power. Thus, I want to stress that anyone who wants power — to hold power — must know that he can only be a leader when his words are heeded. That is called having power. If no one listens to his words, then he has no power. That is all I want to say. First we must consider ourselves — why we are so weak, why no one listens to us. That is the problem.

I would like to make an appeal. I think that all the friendly ambassadors and charges d'affaires present here will certainly make a reasonable assessment of the political developments in our Kingdom. I think that as government officials, you will not let yourself be misled by anyone's lies. Aid is an important factor, but what is more important is ourselves. Speaking about ourselves, I would like to work for the goal of developing the Phnom Penh water works sector with the assistance of Japan, France, the UN Development Program, and so forth. Without ourselves, even with whatever aid, we will not be able to achieve any success. [passage omitted about achievements and work to be carried out by water works sector]

Cambodia: Station Says Human Rights Situation Improving

*BK2704100296 Phnom Penh National Radio of Cambodia Network in Cambodian
1300 GMT 25 Apr 96*

["Political Commentary": "One Should Not Peek From Behind the Curtain of Democracy"]

[FBIS Translated Text] Two decades ago, owing to the fratricidal war and, especially, due to the killing fields of the Pol Pot-Ieng Sary-Khieu Samphan regime, the world regarded Cambodia as a country that abounded with human right violations. Nonetheless, since the downfall of the genocidal Pol Pot regime and since the formation of a legal government, which was elected in the general polls organized by UNTAC [UN Transitional Authority in Cambodia], human rights have been restored and are respected again in Cambodia.

The Royal Government of Cambodia [RGC] has ratified two treaties and seven conventions on human rights. Human rights are also enshrined in Articles 31 to 50 in Chapter 3 of the Constitution. This is the legal aspect of human rights. In reality, the RGC has established a strict implementation of human rights as well.

There are over 50 national and international newspapers and reviews in the present-day Cambodia. Writers or editors always have the perfect right and freedom to write and publish their articles providing they observe the ethical guidelines of the Kingdom of Cambodia's press law.

Moreover, so far, the RGC has never punished any Cambodian individual who defames or discredits the RGC and his nation abroad. Is this not an example of the right to speak, to write, and to express opinions?

During their visit to Cambodia, our prominent guests and observers all expressed a similar view: that respect for human rights in Cambodia has continued to improve. They also said that, basically, respect for human rights should be linked with the discharge of responsibilities, that is, everyone should be required to respect and abide by the law. If the parameters for the observance of the law and the implementation of democracy are synonymous, individual rights and freedoms will certainly exist. Democracy can only be stable if the laws are respected and observed and if the people's rights and freedoms are linked with their legal responsibilities.

In developed countries, laws are used to undergird social stability, to aid social development, and to provide a framework for the respect of individual rights and freedoms. Whether a society develops or not depends on how it observes the law.

Should everyone refuse to respect and observe the law, society would be plunged into a state of anarchy, no matter what. In that case, there would certainly be no hope for a scrupulous respect for human rights. In addition, anarchy might plunge the society into a perilous ravine.

Due to the fact that people, with their rights and freedoms, are equal before the law, they should carefully appraise their rights so as to prevent them from being used in an unrestrained manner.

It is perfectly true that respect for human rights needs to be implemented fully and immediately in Cambodia, where the Khmer Rouge is still waging a war to kill the people and foreigners and burn houses, and where robberies and murders are omnipresent. Nonetheless, while our country is still faced with these facts and while respect for human right is still an important and fundamental problem, the requisite laws should be codified so that they can be enforced. Reluctantly, the government has to enforce the laws by obliging all the people in the country to respect them.

Since the laws are the foundation of human rights, the RGC is always happy to welcome constructive criticisms by journalists and national and international communities with a view to helping remedy various shortcomings. In the process of organizing and solving state affairs, inevitably, there will be shortcomings and dissatisfaction among our masses.

Nevertheless, one should not peer from behind the democracy and human rights curtain and shout to deceive the people into misunderstanding the issue of human rights.

It is very easy to criticize, to speak, to write, to publish, or to expression opinions in words, but it is extremely difficult to achieve concrete results in the performance of one's duties.

Should people really intend to promote human rights in Cambodia, they should join hands with the RGC to wipe out the Khmer Rouge rebellious bandits, who are the source of the threats to and violations of our people's human rights. On the contrary, should the people only wait to blame the RGC for its insignificant shortcomings and turn a blind eye and a deaf ear to the KR crimes, they will certainly be branded as mere dabblers in democracy and as the Khmer Rouge's puppets.

Cambodia: Khmer Rouge Urges Western Countries To Cut Aid

BK2804133596 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 27 Apr 96

[Unattributed commentary: "Skinny Toad Hun Sen, Who Likes To Boast and Threaten Others, Is Now Squealing About Money: Will Western Countries Seize Upon His Weak Point or Not?"]

[FBIS Translated Text] Major aid donor countries are preparing to meet in July 1996 to discuss whether or not aid to the two-headed government should continue since the latter is corrupt and fascist, violates human rights, opposes democracy, and has completely annihilated Western forces.

The Cambodian people, politicians, and personalities from all circles have called on countries giving aid to the two-headed government to stop this aid because the two-headed government is a criminal that murders the Cambodian people, human rights, and democracy in Cambodia. The two-headed government now has only one head, that of Vietnam's puppet Hun Sen. Aid should not be given in order to prevent Hun Sen from destroying at will FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], the Buddhist Liberal Democratic Party, newspapers, and various politicians and personalities.

Concerning the above situation, the skinny toad Hun Sen, who likes to insolently threaten others, is now squealing. He has quiveringly called on countries that used to provide aid to him not to believe others and not to cut this aid.

Using money as a weapon touches the raw nerves of communist Vietnam and its puppets and lackeys, because if they have no financial aid from Western countries they will certainly die. Are they willing to die or to share power with Western forces? They definitely are not willing to die. As long as Western countries seize upon this weak point and stop giving aid and money, power sharing between Western forces and communist Vietnam's puppets can be achieved, and the upcoming local election in 1997 and national election in 1998 would be reasonable.

If, however, one failed to notice this skinny toad's shriek and this weak point is not used, and if aid continued to be given to Hun Sen, Western countries would once more be licking the asses of Hun Sen and communist Vietnam.

It is already clear in the minds of the Cambodian nation and people. Only when the regime that is a puppet and lackey of communist Vietnam is completely smashed

can the Cambodian nation and race survive and can human rights and democracy be restored in Cambodia.

Cambodia: Resistance Movement Reportedly Spills Into Phnom Penh

BK2904053396 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 28 Apr 96

[Unattributed commentary: "The Battlefield Has Now Come to Phnom Penh"]

[FBIS Translated Text] Following their serious debacle during this 18th dry season, the two heads' internal situation has become entangled in the extreme. Meanwhile, the masses in Phnom Penh are also seeking to smash Hun Sen and the two heads so they can be terminated once and for all.

This situation has frightened communist Vietnam and its puppet Hun Sen, causing them to toss and turn and lose sleep. On 27 April the deeply agitated Hun Sen stated that he would use the military to intervene if anyone tried to topple the two heads. However, people wonder what Hun Sen can do, he whose muscles have withered to the size of one's finger.

1. Hun Sen and communist Vietnam have suffered major battle defeats during this 18th dry season. Their army has been beaten all ends up on every battlefield by the poor peasants and national resistance forces of Democratic Kampuchea. Both their army commanders and rank and file have been demoralized and have fled the front in droves. These deserters are mustering to launch a smashing counterattack against Hun Sen and the two-headed army commanders, resenting the fact that they were sent to die at the front. The parents, wives, and children of the soldiers killed, wounded, crippled or blinded during this dry season are also angry with Hun Sen and warmongering communist Vietnam for sending their men to die or get wounded and crippled on the battlefields. They too are seeking to smash Hun Sen and the two heads in order to bring the war for peace and national reconciliation to a close.

2. The people both in the countryside and Phnom Penh are also seeking to smash Hun Sen and terminate the extremely corrupt traitorous two heads because the latter have plundered their land, rice, and homes and because they have sent more and more Vietnamese nationals to Cambodia to grab and swallow its land.

3. The students, journalists, Buddhist monks, and political personalities in Phnom Penh are also seeking to smash Hun Sen and terminate the two heads because the latter have denied them their rights and freedoms, violated human rights, and opposed democracy.

4. Proper former FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party members and Buddhist Liberal Democratic Party members are also angry with Hun Sen and the two heads. These party members, on the one hand, are demanding that FUNCINPEC pull out of the two heads and, on the other, are also seeking to smash Hun Sen for refusing to hand over power to or share it with FUNCINPEC, the election-winner.

So, Hun Sen and the two heads are beleaguered and attacked from all directions. Even the military, police, and functionaries of the two heads themselves are also seeking to smash Hun Sen and terminate the extremely traitorous and corrupt two heads.

Given this situation, Hun Sen and his communist Vietnamese master dispatched 12 sapper battalions under the direct command of Vietnamese cadres and the Communist Party to be on the alert in Phnom Penh itself. Tanks, armored cars, and helmeted soldiers with firearms of all calibers are constantly seen cruising and strutting along the streets of Phnom Penh. This shows that the battlefield has spread from the countryside into Phnom Penh city. Can this handful of battalions protect Hun Sen's head and the communist Vietnamese regime in Phnom Penh? It cannot. His master, communist Vietnam, and Hun Sen himself see clearly that they are being attacked from all sides. So, they are in a state of constant fear and have nightmares of being attacked and smashed.

For this reason, if anyone makes just the smallest movement, they will scream irrepressibly. How are these screams expressed? They call out for the Vietnamese sappers, the police, and the military to help protect their asses. If the prime minister himself has to rely entirely on the police and the military, can the people be on his side? If the prime minister himself depends on no other methods than axe- and knife-wielding, using the police and the military to kill others, what kind of person is he? Is he not a lowly hooligan and ruffian? Is he not a black-toothed communist Vietnamese bent on killing the Cambodian nation and people? If that is the case, what kind of a prime minister, of Samdech can he be? Such a thuggish traitor can only be a turd. Making him a Samdech is to over-indulge him.

So not a single Cambodian is on traitor Hun Sen's side. There are only people who seek to smash and crush his head and destroy him at a time when he is suffering a serious setback with the debacle of his army on the battlefields of the 18th dry season. Therefore, his threat can scare no one. Cambodians from all walks of life, in the countryside as well as in the cities, the poor peasants as well as the National Army

of Democratic Kampuchea, pledge to crush Hun Sen and the communist Vietnamese regime in Cambodia whatever it costs.

Indonesia

Indonesia: Minister Announces Tien Suharto's Death

BK2804083896 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 28 Apr 96

[Remarks by Indonesian Minister-State Secretary Mardiono's during a news conference in Jakarta on 28 April — recorded]

[FBIS Translated Text] As we know, our First Lady Mrs. Tien Suharto died at a Jakarta hospital at 0510 today on the same day as the Islamic 'Id al-Adha [Day of Sacrifice] The president was beside her during her last moments. On behalf of the president and his family, I would like to convey their deep gratitude for the condolences extended by many people in our country. May her soul rest in peace beside the Almighty God. The president also asked for the people's forgiveness for any action by the deceased during her lifetime.

As Mrs. Suharto died in her official status as the president's wife and the first lady, a state funeral ceremony will be held. She will be buried in a family cemetery in Surakarta, Central Java, tomorrow. The president has received condolences from several foreign leaders through our ambassadors. That is all I can tell you. Thank you.

Indonesia: Thai Prime Minister Arrives in Jakarta for Visit

BK2704143096 Bangkok Radio Thailand Network in Thai 0530 GMT 24 Apr 96

[FBIS Translated Text] The Thai prime minister arrived in Jakarta this morning to a warm welcome. Public Relations Department reporter Chintana Choichumphot reports:

[Begin recording] Prime Minister Banhan Sinlapa-acha and his delegation arrived at Halim Airport in Jakarta at 0900 local time this morning. They were accorded a warm welcome by the coordinating minister of political affairs and security, the acting minister of foreign affairs and his wife, and the Thai ambassador to Jakarta and the embassy staff.

After that the Thai prime minister and delegation proceeded to the Merdeka Palace and Presidential Office, where an official welcome ceremony took place.

Thai Prime Minister Banhan and Indonesian President Suharto proceeded to the ceremonial platform to receive

expressions of respect. A band played the Thai and Indonesian national anthems while a 19-gun salute was fired.

After that the Thai prime minister paid a courtesy call on President Suharto and his wife before proceeding to the heroes monument to lay wreaths at the heroes cemetery of Indonesia. [End recording]

Indonesia: Thai Prime Minister Hails Ties in Banquet Speech

BK2604125396 (Internet) Thai Ministry of Foreign Affairs WWW in English 24 Apr 96

["Unofficial translation" of an address by Thai Prime Minister Banhan Sinlapa-acha at a dinner hosted by Indonesian President Suharto in Jakarta on 24 April]

[FBIS Transcribed Text] Mr. President, Madame, Mr. Vice-President, Madame, Excellencies, Distinguished Guests, Ladies and Gentlemen,

May I first of all thank you, Mr. President, as well as the Government and people of the Republic of Indonesia, for the warm welcome and kind hospitality extended to me and my delegation upon my official visit to Indonesia.

Having long enjoyed close and cordial relations, both Thailand and Indonesia are committed firmly to the strengthening of their bilateral relations and mutual understanding. I therefore strongly hope that the visit to Indonesia by my delegation and myself will help promote even further our co-operation in all areas. In this regard, I wish to reassure you, Mr. President, of my readiness to promote and support public and private organisations in both Thailand and Indonesia in their efforts to co-operate more closely, particularly in the areas of trade and investment, for their mutual benefit. Indeed, we are pleased to note that over the past three decades, Thai private sector investments in Indonesia have steadily increased. Likewise, Thailand warmly welcomes investment from Indonesia with a view to increasing our commercial co-operation and economic linkages in the long-term.

Mr. President,

Due to your able chairmanship of the Non-Aligned Movement during 1992 to 1995 and the Asia Pacific Economic Leaders' Meeting in November 1994, together with your constructive role in the Asia-Europe Meeting last March, you have contributed a great deal towards the success of the above-mentioned meetings. I am therefore confident that as Chairman of the ASEAN Standing Committee and of the Informal ASEAN Summit to be convened at the end of this year, Indonesia will once again play a pivotal role in bringing suc-

cess and accomplishment to ASEAN. Towards this end, Thailand stands ready to extend to Indonesia its full co-operation in propelling forward the various co-operative endeavours and developmental projects which we, together with our other friends both within ASEAN and from other regions, have jointly planned with a view to achieving concrete results leading to the future prosperity, solidarity and well-being of all countries and peoples in Southeast Asia.

Distinguished Guests, Ladies and Gentlemen,

On this note, I wish to invite all of you to join me in a toast to the continued good health and success of President and Madame Suharto as well as to the close and friendly relations between both our countries and peoples.

Indonesia: Suharto Approves Purchase of Nine F-16 Jet Fighters

BK2704091096 Jakarta KOMPAS in Indonesian 27 Apr 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Jakarta, KOMPAS — President Suharto has approved the purchase of nine F-16 Fighting Falcon jet fighters, payment of which will be made through an export credit.

Air Force Chief of Staff Vice Marshal Sutria Tubagus confirmed this in reply to questions from reporters after calling on President Suharto at the Merdeka Palace in Jakarta on Friday (26 April).

The Air Force chief of staff thanked the president for presiding over a ceremony marking the Air Force Day. "I thanked the head of state for presiding over a ceremony marking the Air Force Day. I also thanked him for approving the purchase of nine new F-16's," he said.

He added: "The president has approved the purchase of nine F-16's. The next step will be taken immediately. We will immediately process the purchase."

Tubagus added: "The payment will probably be made through an export credit. Nevertheless, the government could settle the payment if there is no export credit," Tubagus said.

Replying to a question on whether the Air Force is strong enough, Tubagus said: "With our existing capabilities, we cover [preceding word in English] our airspace through a deployment strategy. In reality, our strength is still inadequate."

Indonesia currently has 11 F-16 jet fighters. The nine aircraft are from among the 28 F-16's that were originally to have been sold to Pakistan.

Six of the 11 F-16 jet fighters currently owned by the Indonesian Air Force were used by an Indonesian Air Force aerobatic team. The jet fighters are known as Elang Biru [Blue Eagles]. The team performed shows during the commemoration of the 50th anniversary of the Armed Forces of the Republic of Indonesia on 5 October 1995 and the 50th anniversary of the Indonesian Air Force on 9 April 1996.

He said Indonesia has ordered 24 Hawk fighters from Britain since 1992. Three of them will arrive next month.

Indonesia: 'Stern Action' Vowed Against Leaders of Ujungpandang Unrest

BK2604142396 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 26 Apr 96

[FBIS Translated Text] The security apparatus will take stern action against those found guilty of masterminding student protests in Ujungpandang that left three students dead. Lieutenant General Suyono, chief of the General Staff of the Armed Forces of the Republic of Indonesia [ABRI], said this at the Udayana Military Region Command in Bali today after a briefing on ensuring security during the 1997 general election and the 1998 general session of the People's Consultative Assembly.

According to the chief of the ABRI General Staff, security personnel have brought the situation in Ujungpandang under control. Four days of street protests by students from Islamic colleges degenerated into criminal acts. Security personnel took preventive measures by herding them back onto campus to prevent road traffic from being disrupted.

Lt. Gen. Suyono dismissed as untrue the rumors that students had been shot. In this connection, the chief of the ABRI General Staff urged citizens to remain calm and not be provoked by rumors that could complicate the situation. In particular, he warned of deliberate attempts to create rumors with ethnic, religious, racial, or communal overtones.

Indonesia: Army Chief Defends Handling of Ujungpandang Unrest

BK2904051896 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 29 Apr 96

[FBIS Translated Text] General H.R. Hartono, chief of staff of the Indonesian Army, has reminded the nation that personnel of the Armed Forces of the Republic of Indonesia [ABRI] entered the campus in Ujungpandang

recently to quell student protests, and their action did not amount to fighting between ABRI personnel and students.

H.R. Hartono made the remarks after 'Id-al Adha prayers at the ground of the Brawijaya Fifth Military Region Command in Surabaya yesterday. Security personnel broke up protests conducted by several students from such universities as [name indistinct], Hassanudin University, and the 1945 University.

The Army chief of staff called on the people to see any cases or problems objectively. According to the Army chief of staff, the Ujungpandang case stemmed from protests over a policy that excluded procedures for constructive consultation. The protests, however, eventually degenerated into uncontrollable acts.

Gen. Hartono called on all parties to deal with the case thoroughly. He stated that a student, Syaiful, was accidentally killed while attempting to escape across the Pampang River behind a university and security personnel were not responsible for his death.

Indonesia: 'Thousands' Protest in East Timor Over Killing by Military

BK2804132296 Hong Kong AFP in English 1120 GMT 28 Apr 96

[FBIS Transcribed Text] JAKARTA, April 28 (AFP) — Thousands of people staged protests in the small town of Baucau in the former Portuguese colony of East Timor for two days, leaving the town tense on Sunday evening, a local church source said.

"Thousands of youths started rioting here since Saturday afternoon, which continued today. Since sunset, the streets have been deserted except for a heavy armed military presence," a local church source told AFP by phone.

Hundreds of armed soldiers were patrolling the streets, the source said. The unrest was sparked by the alleged killing of a local youth by the military on Thursday, the source said, adding it was unclear why the youth was killed.

The crowds Saturday pelted stones at the soldiers, who in turn threw tear gas, the source said. There have as yet been no reports of injuries.

Another source from the East Timor capital of Dili, some 80 kilometres (50 miles) west of Baucau, said at least two official cars were damaged.

The source said the unrest might possibly be linked to reports that ambassadors from New Zealand and Australia, who are visiting East Timor, would either visit or pass through Baucau.

The visit of foreign dignitaries has in the past served as an opportunity for East Timorese to air their discontent with rule by Jakarta, which unilaterally annexed East Timor in 1976. The United Nations continues to view Lisbon as the administrator there.

Journalists travelling with Australian Ambassador Allan Robert Taylor said the ambassador was scheduled to visit Baucau Sunday, while New Zealand diplomats could not be reached for information about Ambassador Tim Groser's travel plans.

Another Dili source said Baucau was now closed off.

Indonesia: Tension Still High in East Timor Following Rioting

LD2904105796 Melbourne Radio Australia in English 1000 GMT 29 Apr 96

[FBIS Transcribed Text] Tensions remain high in central East Timor following rioting in the town of Baucau. Michael Maher reports from East Timor's capital, Dili, that Australia's ambassador to Indonesia has been unable to attend a large church gathering during a visit to the region because of the unrest:

[Maher] Hundreds of angry youths have rioted in the town of Baucau in protest against the killing of a young man by an Indonesian soldier. Paolo dos Reyes, who was in his early twenties, was allegedly shot because he was suspected of being opposed to East Timor's integration with Indonesia. The rioters chanted pro-independence slogans and threw stones at police before finally being dispersed with teargas. It remains unclear whether or not there were any injuries.

Australia's ambassador to Indonesia, Allan Taylor, was advised by church officials in the troubled area not to attend a major Catholic gathering not far from Baucau because of the tensions caused by Dos Reyes's death. Mr. Taylor said that he thought it was best not to go the ceremony, which involved some 5,000 people, because he had been told that his presence might be a spark for more problems. The ambassador is in East Timor on what he describing as a routine visit.

Indonesia: Minister Interviewed on National Car Policy

BK2604142796 Jakarta KOMPAS in Indonesian 26 Apr 96

[Interview with Tunky Ariwibowo, Indonesian trade and industry minister, by Sri Hartati Samhadi, Simon Saragih, and Rusdi Amral in Singapore on 25 April — received via Internet]

[FBIS Translated Text] Singapore, KOMPAS — The issue of Indonesia's plan to produce "Timor" model

cars was one of the topics discussed at the World Trade Congress in Singapore on 24-25 April. Apart from Japan expressing concern over the national car policy, the World Trade Organization and the European Commission have also commented.

The European Commission has said that the policy violates WTO provisions. Trade and Industry Minister Tunky Ariwibowo explained Indonesia's views to journalists on the sidelines of the international congress on 25 April.

[KOMPAS] Indonesia has been criticized for its national car program. What is Indonesia's stance now and for the future?

[Tunky] The objective of establishing a national car industry is to strengthen the competitiveness of Indonesia's automotive sector so that it can face competition in global markets. This can be done through mastering technology. Otherwise, we only depend on foreign manufacturers. You know that the automobile industry is made up of several components industries that rely on the mastery of technology.

Being dependent on foreign manufacturers, we are obviously faced with limitations. There are limitations to our import and export of components. Likewise, there must be limited production of local components. Therefore, we must master automobile manufacturing technology so that we will no longer be dependent.

We will be ready to produce national cars after mastering the technology, especially if the market expands. We do have potential markets in ASEAN, which has a population of 500 million [as published]. The people of ASEAN, including Indonesians, have great purchasing power. We have produced 400,000 vehicles to date, and 500,000 units will be produced by 2000. If we do this, I think we can produce cheaper cars because of the lower cost in Indonesia. If we do not start production and promote research and development, however, our automotive industry will not grow.

[KOMPAS] Why is the plan for technological development being accelerated only now?

[Tunky] Actually we have already done it, but there were only limited markets. There is currently a market for 400,000 units.

[KOMPAS] Japan is basically not opposed to Indonesia's plan to produce national cars. Japan is not, however, very confident of Indonesia's expertise and suspects that the national cars will be imports. What do you think?

[Tunky] This is Japan's opinion. Indonesia will hold talks with Japan on the matter for this reason. How the

talks will proceed is still unknown. The talks will be held on 29 April.

[KOMPAS] What sort of stance will Indonesia take toward Japan in the talks?

[Tunky] We will first listen to their complaints in detail. Afterwards, we will hold talks with them. Indonesia's reply to Japan will depend on the topics at these discussions, because there could be many other opinions.

[KOMPAS] Why have you chosen to discuss one industry only?

[Tunky] We will discuss one industry first. It is impossible to discuss many things simultaneously. We will pick another industry for discussion after three years.

[KOMPAS] The Bimantara Group has also said that it is going to produce a national car. Is this true?

[Tunky] Maybe, but the government has granted special tax incentives and tariff exemptions to one company only.

[KOMPAS] The granting of the privilege (tariff and tax exemptions) to only one company has created the impression of a lack of transparency. What do you think?

[Tunky] Just wait.

Indonesia: Students Submit Report to Human Rights Commission

BK2604094396 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 26 Apr 96

[FBIS Translated Text] Speaking in Jakarta yesterday, Baharuddin Lopa, secretary general of the National Commission on Human Rights, said a meeting should be held to find ways of avoiding further clashes, which could result in more human casualties. Lopa said this in response to a report submitted to the commission by students grouped under the Makasar Students Solidarity. In its report, the student group claimed the clashes between the students and the authorities had resulted in the deaths of five students, the hospitalization of two students, and injuries to dozens of others. The clashes followed a rally protesting the transportation fee increase, which has been held at a local university campus since 18 April.

Indonesia: Dailies View WTO Discussion on 'Corrupt Practices'

BK2604101996 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 26 Apr 96

[From the press review]

[FBIS Translated Text] The inclusion of the issue of corrupt practices on the WTO meeting agenda in Singapore should be greeted with enthusiasm for several reasons — one of them being that the discussion may boost efficiency. To achieve this, the Indonesian Government has launched economic deregulation policies since 1983. The move is actually part of the efforts to eradicate corruption. Preventive and repressive measures have also been also intensified by enhancing internal and external supervision. This is, among other things, what SUARA KARYA says in its editorial today. Another reason why we welcome the discussion on corruption is that it will dispel the allegation that Indonesia is one of the most corrupt countries in the world. Therefore, if future WTO meetings include the corruption issue on their agenda, it will be a good opportunity for Indonesia to correct the view of our country that is held by foreigners.

Meanwhile, KOMPAS discusses the background behind the inclusion of the corruption issue on the WTO agenda. We cannot simply ignore this background if we are concerned that corruption will be used as a tool to discredit developing and newly industrialized countries. In reality, corruption is not restricted to developing and newly industrialized countries. Fred Bergsten, director of the Institute of International Economy, said corrupt practices exist not only in authoritarian and paternalistic countries but also in the largest democratic country in the world.

BISNIS INDONESIA says that merely talking about corruption in general is not enough, for no matter how small it is, corruption is undesirable. Therefore, concrete actions are needed to stop this negative activity. It is however wise to realize the causes of corruption. There are at least three causes, namely, the existence of an opportunity, a volition, and an environment conducive to corrupt practices. It is no exaggeration to say that the control mechanism must be intensified so as to combat corruption. Another method is by inculcating religious and ethical values.

Laos

Laos: Eighth Ordinary Session of National Assembly Ends

*BK2704130696 Vientiane KPL in English
0926 GMT 26 Apr 96*

[FBIS Transcribed Text] Vientiane, April 26 (KPL) — The eighth ordinary session of the National Assembly (third legislature) under the chairmanship of its president, Saman Vi-gnaket, came to a close yesterday afternoon after seven days in session, April 18-25.

The participants yesterday afternoon unanimously endorsed the amendment to Article 135 of the criminal law concerning trafficking or possession of drugs, and the report on the budgetary implementation for the first half of 1996 and the amendment to the state budget for the second half of this year, which reaches 229.8 billion kip.

The session listened to a resolution of the Assembly's eighth ordinary session presented by Chaleun Yiapao-heu, LPRP CC [Lao People's Revolutionary Party Central Committee] member, member of the Standing Committee of the National Assembly, chairman of the Secretariat Commission, and chief of the cabinet of the National Assembly. Then the session was declared closed by its president, Saman Vi-gnaket.

During this eighth session, the session has elected Mr. Sisavat Keobounphan as vice-president of the Lao People's Democratic Republic, approved the nomination of Mr. Boun-gnang Volachit as vice prime minister, and some changes in the cabinet.

Present at the closing ceremony were Nouthak Phoumsavan, advisor to the Lao People's Revolutionary Party Central Committee (LPRP CC) and president of the Lao People's Democratic Republic, LPRP CC Politburo members, vice prime ministers, ministers, chiefs of agencies equivalent to ministries, of party's organisations, and of the central mass organisations, qualified figures, veteran revolutionaries representatives of intellectuals and businessmen.

Philippines

Philippines: Monkey Research Farm Under Quarantine in Ebola Scare

*LD2904103596 Melbourne Radio Australia
in English 0900 GMT 29 Apr 96*

[FBIS Transcribed Text] Health officials in the Philippines have quarantined a monkey research farm south of the capital, Manila, where a strain of the deadly Ebola virus has been traced. The decision was made after the arrival of a team of specialists from the United States Center for Disease Control.

The American specialists were sent to the Philippines after two monkeys from the research farm, exported to Texas, were found to be infected with the Reston strain of the Ebola virus. One of the specialists said that quarantine measures were being put in place to prevent any hazards to the public. He added that the Reston strain of the Ebola virus had been relatively stable since it was discovered in 1989 and that it showed no sign of mutating into a form which was dangerous to humans. Philippine officials say the farm near Manila has about 1,600 monkeys.

Philippines: Speaker Describes Meeting With Saddam Husayn

*BK2904072896 Quezon City Radio Filipinas
in English 0230 GMT 29 Apr 96*

[FBIS Transcribed Text] Iraqi President Saddam Husayn is confident of withering all challenges to his regime and is surrounded by strong security. This was stated by Speaker Jose De Venecia, who met with him on the weekend. De Venecia quoted Saddam as saying, and we quote, I am keeping all people together from these critical times and I expect to lead them onwards out of these trials and adversities, end of quote.

De Venecia said he met with Saddam, his son [word indistinct] on Friday. He described Saddam — who was wearing his military uniform — as physically fit and healthy and tall and robust. He said there was strong security around the Iraqi leader, whose regime had been rocked in the past by the defection of some of his top generals and (?mild) pockets of rebellion among military units. But De Venecia said, and we quote, I would not say excessive security.

De Venecia was sent to Iraq by President Ramos on a mission to secure the release of three Filipino workers convicted for 15-25 years' jail terms in Baghdad for crimes ranging from theft to murder. The workers, who had served at least nine years in prison, were freed after the meeting.

Philippines: Chinese Asian-Pacific Ambitions Viewed

*MS2604101596 London FINANCIAL TIMES
in English 26 Apr 96 p 18*

[Article by Jose Almonte, security adviser to Philippine president and director-general of National Security Council: "Accommodate This Ambition"]

[FBIS Transcribed Text] March 1996 will be remembered as a turning point in east Asia. China's brusque attempt to intimidate Taiwan and influence its presidential election shattered the region's comfortable assumption that drawing Beijing into east Asia's web of

economic inter-dependence would moderate its political behaviour.

In fact, China has border disputes with 10 of its neighbours and claims to 2 million sq km of territory — and has been involved in four local conflicts over the past generation. But the March events have renewed anxieties in east Asia about its huge neighbour and the stability of the world's fastest growing region.

For some time, east Asians have discerned opposing strains in Beijing's foreign policy. One is to modernise China's economy, for which it needs foreign markets, foreign investments and regional stability. The other is China's memory of 150 years of humiliation by the great powers, and its need to "right the wrongs of history".

We had assumed pragmatism would easily overcome nationalist sentiments. But even before testing unarmed missiles in the waters around Taiwan, Beijing had encroached on Mischief Reef in the Spratlys — only 135 nautical miles from the Philippine island of Palawan. China's claim to the Spratlys — which it disputes with five littoral states — hinges on the oil deposits the area is believed to contain, and on Beijing's new strategy of "forward defence".

China became a net oil importer in 1994. But military necessity seems an even stronger motive. People's Liberation Army (PLA) strategists have given up their Maoist guerrilla strategy in favour of building up their capability to fight a high-tech naval conflict in the China Sea and the western Pacific. We believe the PLA is using China's Spratlys claim to justify its modernisation plan, with the long-term goal of creating a powerful navy with international reach — which China has lacked since the early 15th century.

The Chinese encroachment on Mischief Reef concerns all the powers using the strategic sea-lanes of the South China Sea. Fidel Ramos, Philippines president, has proposed demilitarising the area, placing each disputed island under the stewardship of the claimant country closest to it — and then undertaking joint development ventures.

Only the US and Japan are strong enough to influence China's political evolution. How these three powers arrange their relationships will dictate our own security framework. Thus we regard the US-Japan relationship as the crucial regional relationship, in which we outsiders all have a vested interest.

How should its neighbours deal with China? Containment may have been justified for an ideological power like Stalin's Soviet Union. But it would be unwise to approach today's China with such a preconceived notion,

when this huge and complex nation — a civilisation all by itself — is undergoing such an epic transition.

Certainly we need to discourage China's lingering idea of itself as the "Middle Kingdom" while encouraging trends that make its economy more interdependent with those of its neighbours. We must induce China to develop a stake in the Asia-Pacific status quo.

This is why the members of the Association of South East Asian Nations (Asean) — even while judiciously building up arms inventories — refuse to commit themselves to a proposal for "prepositioning" US military supplies. But we may be sure Beijing's encroachments in the Spratlys will accelerate security cooperation among them and between them and the US and Japan.

Meanwhile, south-east Asia's goal of an Asean commonwealth should be achieved before 2000. Unification will give the nearly 500 million people of the region the clout they need to become significant influences in the future world.

Another option our security experts are beginning to consider is a grouping of middle powers as a moderating influence in the region. Together with Australia and New Zealand, our 10 states can deploy economic and political weight comparable with any of the great powers. Last December's security agreement between Indonesia and Australia is a step in this direction.

The key to regional peace in the new century is accommodation of the ambitions of the rising powers — China, Japan, Russia, Indonesia, a unified Korea — for influence in regional affairs.

Because China's potential is so great and its ambitions so strong, it will not be content with remaining a regional power. And since American strategy in the Asia-Pacific envisions its continued pre-eminence, it is easy to foresee a difficult long-term relationship between two countries keen to establish hegemony in the 21st century.

Finding this key will thus be difficult. Fortunately we have the leisure to do so. None of the regional powers faces an immediate threat; and rivalry among them has lost its ideological edge.

Unlike Japan in the 1930s, China is entering an increasingly open world economy. And America's military superiority seems assured for at least the next 15 to 20 years since it keeps at the cutting edge of military technology.

Meanwhile, unifying forces are at work. The market has shown its ability to transfer power painlessly from

the state to institutions of civil society. Ethnic Chinese entrepreneurial networks are linking our economies. And there are embryonic multilateral institutions such as the Asean Regional Forum and the Asia-Pacific Economic Co-operation forum.

Our interim goal should be to give liberalising influences in Chinese politics time to work out. The aim is to encourage a new generation of Chinese leaders to rise, who will seek satisfaction of their country's aspirations within the regional community.

Philippines: Police Sources Suspect Released Vessel PRC 'Spy' Ship

*BK2604091296 Manila PNA in English
1117 GMT 24 Apr 96*

[Report by Alex Allan — received via Internet]

[FBIS Transcribed Text] Philippine Navy troops killed two suspected Chinese sailors and wounded six others in a gunbattle with an unmarked vessel believed to belong to the People's Republic of China a few days ago off the coast of Zambales.

Police sources in Olongapo City said that despite the casualties, the captain of the Chinese boat filed a quit claim, prompting naval authorities to release the vessel on April 19.

The captain's refusal to file charges has raised suspicion that his ship was neither a commercial cargo nor fishing vessel but a "spy" vessel, according to the same sources.

The Department of Foreign Affairs [DFA] has confirmed that it received a report on the sea encounter from the Department of National Defense [DND] but refused to give details.

A DFA source also said the Chinese Embassy in Manila was informed of the capture of the vessel through informal channels and the embassy denied the presence of any PRC boat in Philippine waters.

The vessel, however, was described as very similar to a suspected spy ship captured in February by Navy elements off Tabones Island also in Zambales.

An official report from the Philippine Navy [PN] described the latest incident as an engagement with "pirates" of still undetermined nationality.

The encounter involved the BRP [Republic of the Philippines Ship] Quezon (PS 70) which had just undergone repairs in Cavite and was taken out on a test run on April 17.

The report said BRP Quezon came across the unmarked vessel north of Subic and hailed it on its public address

system. The vessel did not respond and sped out toward the open sea.

The BRP Quezon gave chase and using its .20 and .50 caliber machineguns, fired warning shots across the bow of the unidentified boat.

Instead of stopping, the boat returned fire and a brief gunbattle ensued.

The 28-man crew of the foreign vessel apparently surrendered only after suffering casualties.

They threw their firearms into the sea just before the Filipino sailors boarded their ship to arrest them, the report added.

But what surprised PN officials, sources said, was that when they brought the captured vessel to Subic, a Hong Kong national identified as Sunny Siu presented complete documents for the vessel.

The papers identified the captured boat as the M/B Chien Heh Chuan bound for Fuzou in Mainland China although its registration was only for domestic shipping and not valid for international waters.

Because of the documents presented by Siu and the quit claim filed by the captain, authorities said they were forced to release the vessel.

Police said that in February, a Sunny Siu who claimed to be the manager of the Subic International Cargo Center complained of incidents of smuggling and hijacking in the waters north of Subic.

It could not be confirmed if Siu was the same person who interceded for the release of the captured Chinese vessel.

A Navy report to the DND last January said there were 10 incidents of hijacking and piracy involving 10 Taiwanese dry-cargo vessels from September to December 1995 in the waters between Port Silanguin in Subic and Port San Esteban, Ilocos Sur.

The hijacked vessels were reportedly brought to Mainland China where they were released after being relieved of their goods.

The 1995 hijackings and the three naval encounters this year in the same waters have prompted the Navy to add two more patrol vessels and one surveillance aircraft to its present assets in the Western Luzon.

Philippines: Military Reports MILF's Preparations for War

BK2504140096 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 25 Apr 96

[FBIS Translated Text] The Moro Islamic Liberation Front's (MILF) preparations for an offensive against the military have been exposed. The arrival of arms shipments has reportedly increased in some parts of Mindanao.

Our reporter Maki Pulido has a report. Maki, come in:

[Begin recording] The MILF is preparing for a fierce gun battle with the military, as indicated by reports of the arrival in Mindanao of numerous MILF arms shipments.

Based on a report prepared by the Armed Forces of the Philippines (AFP) Southern Command, the number of MILF arms shipments have doubled since the fighting between the Muslim rebels and the military intensified.

According to Colonel Damiano Yala, commanding officer of the 301st Infantry Brigade, there have already been 10 confirmed arms shipments in March. Yala cited the increase in the number of arms shipments since the beginning of this year.

The arms come from Indonesia or Sulu and are unloaded at Matinug Point on the Matinug shoreline in Maguindanao.

The military believes the MILF is a great threat to peace in Mindanao. During a military briefing in Awa, Maguindanao, it was confirmed that the MILF was a great threat because of its many men and the high-powered weapons it possesses.

In view of the MILF arms shipments, the military fears that the MILF may only be using the cease-fire agreement to gain time to gather a sufficient number of arms.

AFP Chief General Arturo Enrile stressed, however, that talks with the MILF will continue, and they will use the talks to achieve a permanent peace in Mindanao. [end recording]

Philippines: Armed Forces To Provide Aid to Unarmed MILF Troops

BK2904024396 Manila BUSINESS WORLD in English 29 Apr 96

[Report by Carlo B. M. Santos — received via Internet]

[FBIS Transcribed Text] Aleosan, North Cotabato — The Armed Forces of the Philippines (AFP) is changing its strategy to win over the Moro Islamic Liberation Front (MILF) and maintain peace in Mindanao.

AFP chief Gen. Arturo Enrile has directed local government officials and military officers in Maguindanao and North Cotabato to provide food and hospitalization for unarmed MILF troops.

"The battle here is not purely tactical. (The AFP) should try the soft approach to win the MILF," Mr. Enrile said.

Local officials present during a military briefing last week said they gave food to unarmed MILF troops during the distribution of supplies to an estimated 2,000 evacuees from the embattled town of Carmen.

"What could we do? The MILF were unarmed and they were asking for food," Carmen mayor Roger Talino said.

AFP officials said since the start of an informal ceasefire more than a week ago, MILF troops in the area of Maritubog-Maridagao (Mal-mar) Irrigation Project have been silent. But with approximately 1,000 MILF troops having crossed over to Maguindanao from as far as South Cotabato, hunger is now a problem as supplies run out.

The military said at least 1,500 MILF soldiers were pulled out from other provinces to reinforce the MILF in its battle to retake the Mal-mar Irrigation Project. The troops remain in Maguindanao while peace dialogues are being held between the AFP and the MILF.

Mr. Enrile said the AFP and the local leaders should give food to these MILF on the condition the MILF receive the food unarmed.

Philippines: MNLF Said To Order Manhunt for Abu Sayyaf Leaders

BK2904052096 Quezon City Radio Filipinas in English 0230 GMT 29 Apr 96

[FBIS Transcribed Text] The Moro National Liberation Front (MNLF) has ordered a manhunt for Abu Sayyaf leader Abdujarak Janjalani and his close aide, Commander (Ratela Sajiron), for trying to derail its peace negotiations with the government. An MNLF official who requested anonymity said the leaders of the mainstream rebel group have agreed to get Janjalani as [word indistinct] dead or alive for standing in the way of the peace talks seeking an end to the 27-year Muslim rebellion in Mindanao. Other sources said Janjalani has fled to Sandakan in Sabah, Malaysia.

The [word indistinct] of the MNLF position which came after the MNLF revolutionary court found the two Abu Sayyaf leaders guilty of sabotaging the peace talks. The source said the group believes that the capture of Janjalani, the country's number one criminal with a 1.5

million peso reward on his head, will (?improve) its negotiating position with the government.

The government and the MNLF have been negotiating to find a political settlement to the Mindanao conflict, which killed more than 50,000 combatants and civilians at its height shortly after former strongman Ferdinand Marcos declared martial law in 1973. The negotiations have been stalled because both sides could not agree on how an autonomous Muslim region should be formed and how many provinces and cities should be included in it. The MNLF wanted to include 13 provinces and nine cities in the proposed autonomous region to be formed in accordance with the Tripoli Agreement it signed with the Marcos government in Tripoli, Libya in 1976. The government wants to submit the question to a plebiscite to give the predominantly Christian provinces which [word indistinct] to be included in the proposed autonomous region the right to decide whether to join in.

Philippines: Communist Rebel Breakaway Faction Consolidates Forces

BK2504120596 Manila TODAY in English 17 Apr 96 p 4

[Report by Gilbert Bayoran]

[FBIS Transcribed Text] Bacolod City — While the Armed Forces and National Police are focusing their attention on Mindanao, the rebel breakaway faction in Negros known as the "Rebolusyonaryong Partido ng Manggagawa-Marxista-Leninista [Revolutionary Workers Party-Marxist-Leninist]" and its army, called the "Revolutionary Proletarian Army" (RPA), are consolidating and expanding their forces.

In a clandestine interview with selected media personalities of Negros, the breakaway rebel leaders announced the election of new commanders who will lead the five guerrilla fronts in Negros.

Luwalhati Carapal, spokesman of the RPA, said the RPA is a "political army" that will defend what she called the "abused masses," based on the Marxist-Leninist doctrines. It is the counterpart of the Alex Boncayao Brigade urban guerrilla unit.

It will also oppose the "people's protracted war" being espoused by forces of Jose Maria Sison, founder of the Communist Party of the Philippines. At the same time, the group also believes in the sincerity of some military and police personnel to serve the interest of the people.

"The RPA respects the stand of some AFP [Armed Forces] personnel, and is willing to contact and help them in their efforts," Carapal said in a press statement furnished to the Negros media.

Claiming to have 500 full-time and fully armed guerrilla fighters, the RPA is divided into four guerrilla units — the Reno de Guzman Command in Central Negros, Leonardo Amparo Command in Southern Negros, Rolando Talinis Command in East Negros, and Apolinario Boy Gatmaitan Command in Northern Negros. It also has the newly formed Jeffrey Sayam Brigade, a local counterpart of the Alex Boncayao Brigade in Negros.

But military and police records show that RPAs have about 300 fighters scattered all over the island of Negros.

The RPA held its first military conference in a remote barangay [village] of Ilog Monday, which was reportedly secured by an estimated 150 fully armed rebels equipped with automatic rifles.

It was decided during the conference, Carapal said, to continue the consolidation of RPA forces and recruitment of additional manpower.

Estillo Dioquino, former Southern Negros rebel commander, earlier warned that the transfer of counterinsurgency operations to the police from the Army will give "enough time" for rebels to consolidate their forces.

The RPA leaders also vowed to defend their "territories" against any sabotage or attacks from the "Sisonite faction" or from the military.

The RPA warned masterminds of criminal syndicates in Negros to stop their anti-social activities or face "punitive action," which the faction will not hesitate to impose on them.

Thailand

Thailand: Judge Orders Extradition of Khun Sa Accomplice to U.S.

BK2604091096 Bangkok THAI RAT in Thai 23 Apr 96 p 23

[FBIS Translated Text] At the Criminal Court on Ratchadaphisek Road in Bangkok on 25 April, a judge ordered the extradition of Michai Pathumwong to the United States for trial.

The decision is made at the request of the government of the United States in compliance with the extradition treaty between the two countries. The reason is that the U.S. authorities have clear evidence that Michai, or (Wu Chang Si), an accomplice of the drugs kingpin Khun Sa, illegally smuggled more than 1 kilogram of heroin into the United States between November 1984 and September 1988.

The extradition is to be made within three months after the decision of the Thai court.

Thailand: ASEAN Plans To Ask U.S. for Exclusion From Shrimp Ban

BK2704102996 Bangkok BANGKOK POST
in English 27 Apr 96 p 22

[Report by Chatrudi Thepharat]

[FBIS Transcribed Text] ASEAN plans to ask the US to exclude the ASEAN countries from the impending wild shrimp embargo, saying the measure goes against the principles of the World Trade Organisation.

The decision to appeal to the US was reached at the ASEAN Sectoral Group on Fisheries, chaired by Kitcha Chaiyen, in Singapore.

Fisheries Department director-general Plotprasop Suratsawadi said the embargo due to take effect on May 1, would be applied to all countries whose trawlers failed to equip themselves with turtle excluder devices (TED) that allow turtles to escape more easily from nets.

The US Court of International Trade (CIT) has confirmed its verdict to go ahead with the embargo, turning down a US Administration request that the embargo be postponed until May 1997.

At the request of Thailand, ASEAN members have agreed to formally ask the US to lift the embargo for ASEAN because the group says legislation and conservation programmes are already in place to protect sea turtles.

The sectoral group further agreed that non-governmental organisations in ASEAN such as the ASEAN Fisheries Federation, should take an active stance on the issue in direct talks with the US.

Thailand has suggested that ASEAN and the US should work together on ASEAN's turtle conservation programmes.

Mr Plotprasop said ASEAN and countries in other regions that would be hurt by the embargo must band together to increase their bargaining power in talks with the US government.

Meanwhile, Foreign Trade Department director-general Pracha Charutrakunchai tried to console exporters, commenting that Thai wild shrimp shipped to the US account for only a minimal portion of the total export value.

Mr Pracha said exporters should not worry too much about the embargo because the US imports only two billion baht worth of Thai wild shrimp, or 3% of Thailand's total shrimp exports.

Thai shrimp exports worldwide last year totalled 66 billion baht. About 22 billion baht worth of shrimps were shipped to the US, with only two billion baht of those from the sea. The vast majority were cultivated.

The US is the second-largest importer of Thai shrimps while Japan is the largest with 22,366 million baht worth of Thai shrimps imported last year.

Mr Pracha said the Foreign Trade Department, Fisheries Department and private sector are working out solutions to the ban. Thailand has consulted ASEAN members and Japan and both plan to file petitions to the World Trade Organisation about the US restriction.

In the meantime, Thailand will explore markets in other regions in the hope of expanding its sea shrimp market.

Turtle excluder devices which cost about 5,000 baht each, will begin being installed on trawlers.

Thailand: Deputy Prime Minister Receives PRC Tourism Official

BK2904082596 Bangkok ZHONG HUA RIBAO
in Chinese 25 Apr 96 p 3

[Unattributed report]

[FBIS Translated Text] Air Chief Marshal [ACM] Sombun Rahong, deputy prime minister, received He Guangwei, director of the National Tourism Administration of China, along with his delegation at Government House on the morning of 24 April. He Guangwei is in Thailand to attend the 45th annual meeting of the Pacific Area Tourism Association. Also present was Yan Bin, president of the Hua Tong International Travel Group. The talks were held amid a friendly atmosphere.

ACM Sombun said China has many places of historic interest and scenic beauty. The number of foreign tourists visiting China could reach 100 million annually in the near future if China improves its transportation facilities, such as railroads and air transport. The tourism industry generates about \$800 million for China annually. He said the development of the tourism industry will not only help generate a huge amount of foreign exchange but will also help create many employment opportunities. Thai businessmen are very interested in investing in China. He suggested that the Tourism Authority of Thailand organize more tours for Thai businessmen to observe the tourism industry in China so they can explore more investment opportunities.

He Guangwei said the Chinese tourism industry has achieved great development during the 17 years since China adopted an open-door policy in 1978. A total of 46 million foreign tourists visited China in 1995. The Chinese tourism industry grows by five percent

annually. He said China has a 10,000 km coastline that has not yet been developed into tourist areas. As China still lacks experience, it plans to learn from Thailand's experience in developing its tourism industry.

Thailand Sells Rice to Indonesia Under Barter Deal

*BK2604091396 Bangkok Radio Thailand Network
in Thai 1200 GMT 25 Apr 96*

[FBIS Translated Text] The secretary general of the Agricultural Economics Office, Pitiphong Phungbun Na Ayutthaya, reported a successful visit to Indonesia by Agriculture and Cooperatives Minister Suwit Khunkitti and his delegation on 22-25 April. During the visit, the minister discussed with Indonesia a barter deal between the two countries. A memorandum of understanding on countertrade was signed, as well as a trade agreement under which Thailand will buy two CN235 airplanes from Indonesia in exchange for Indonesia's import of about 110,000 tons of Thai rice. The official said that the Agriculture Ministry needs the aircraft to improve the efficiency of the artificial rainmaking unit under the king's patronage, to fight forest fires, and to suppress illegal logging.

Thai Prime Minister on Results of Visits to Brunei, Indonesia

*BK2604111196 Bangkok Radio Thailand Network
in Thai 0000 GMT 26 Apr 96*

[FBIS Translated Text] The official visits to Brunei and Indonesia from 22-25 April concluded with great success both in the strengthening of good relations with the two ASEAN member countries and in the promoting of cooperation with them in the fields of trade, investment, and agriculture. This statement was made by Prime Minister Banhan Sinlapa-acha at a press briefing on the results of the trips at the Royal Thai Air Force Headquarters at Don Muang Airport late last night. The Prime Minister remarked that during the visits he was warmly welcomed by leading personnel in various fields.

Reporting on the outcome of the trip to Brunei, the prime minister said that Brunei investors had been persuaded to invest in stock trading in Thailand.

[Begin Banhan recording] At present many countries have invested in Thailand's stock market, while Brunei has put a lot of investment into the stock markets in Singapore and Japan. [End recording]

On the result of his visit to Indonesia, the prime minister reported that during the official consultations with Indonesian President Suharto, emphasis was placed on the policy for ASEAN member countries not to

compete with each other in trade in agricultural goods but to cooperate.

[Begin Banhan recording in progress] President Suharto's position is that if any ASEAN member country has a certain kind of product for sale, his country, Indonesia, will not compete with that country for sales of that product. For example, if Indonesia faces a shortage of rice, it will buy rice from Thailand. This is the same policy as that of the Malaysian prime minister, which is not to compete with another ASEAN member country in sales of the same agriculture produce. [End recording]

Regarding natural gas cooperation between Thailand and Indonesia, both sides are interested in joint investment aimed at promoting the growth of the industry.

[Begin Banhan recording] The Petroleum Authority of Thailand wants to buy natural gas from the Natuna gas well in Indonesia, so pipelines measuring hundreds of kilometers in length will have to be laid. Indonesia wants to co-invest in this project and sell natural gas to us. We therefore agreed that responsible officials be assigned for further talks on the issue. This is because at present the quantity of natural gas produced by the Petroleum Authority of Thailand is not enough for use in Thailand. We have to buy gas from two wells in Burma. Now we want to buy some from Indonesia too. [End recording]

At the end of the briefing, Prime Minister Banhan noted the need to visit friendly countries. Late next month, he will pay visits to Malaysia and Singapore.

[Begin Banhan recording in progress] ...because our trade at present is entering the vast arena of world trade, in the forms of WTO [World Trade Organization], APEC [Asia and Pacific Economic Cooperation], and so on. Therefore, cooperation at bilateral and multilateral levels is very significant. We will not be able to exist alone; we have to find friends, seek trade and investment markets, find places to invest, and persuade others to invest in our country. This is what I would like to let you know at this time. [End recording]

Thailand: Hanoi Questions Bangkok Over Tariff Cuts

*BK2704130196 Bangkok BANGKOK POST
in English 27 Apr 96 p 15*

[Report by Somphon Thapanachai from Singapore]

[FBIS Transcribed Text] Vietnam wants to know why Thailand has not cut import tariffs on about 20 products under agreements leading to the establishment of the ASEAN Free Trade Area [AFTA], according to a Finance Ministry source.

Hanoi has asked Thai officials in Singapore why the products have been excluded from an original 855 items Vietnam nominated for the tariff reduction programme, the source said, declining to be named.

Under the AFTA programme, members are obliged to reduce tariffs imposed on goods from each other.

The source said the question was normal under the AFTA process. Members would try to ensure consistency in tariff reductions.

Thailand has asked Brunei, the Philippines and Malaysia to examine 183 items for tariff reduction, as it believes these products warrant preferential rates. Another source said Thailand had received the list of Vietnamese products but needed to compare it with the Thai list as tariff cuts could be made only when the items were on both.

Vietnam was also late in submitting its tariff reduction programme to the ASEAN secretariat, so it took some time to check the list, the source said. Vietnam joined ASEAN last July and submitted its list of tariff reduction items in December.

The ministry source earlier complained that Vietnam had delayed its tariff cuts by increasing its minimum standard price for ASEAN products, bringing it into line with that applying to Japanese products. Vietnam previously set prices for ASEAN products at only 70% of the Japanese level.

This would automatically increase tariffs on products imported from ASEAN members.

The ministry source said Vietnam had still not granted national treatment to other ASEAN members, which want Hanoi to treat them as it would its own citizens.

Vietnam failed to notify other members of its non-tariff barriers, he claimed. These were expected to be many as the country's economy was still socialist.

The Thai Commercial Counsellor's Office in Hanoi said that Vietnam's import-export regulations meant controls remained on two million tons of rice to be allocated to 15 companies, as well as textiles and garments exported to countries with which Vietnam has agreements.

Hanoi also controls imports of five products important to its budget and the economy. These include 5.4 million tons of petroleum products, for which Vietnam Petroleum Corp receives a 60% quota, 1.4 million tons of fertiliser, where a 40% quota is granted to the General Agriculture Materials Company; and 1.4 million tons of cement for which a 40% quota is allocated to Vietnam Cement Corp.

The Trade Ministry plans to import 150,000 tons of sugar this year. The ministry will also consider allowing the import of steel products that the country cannot produce in sufficient quantities, and 40% of the total amount will be imported by General Steel Corp.

Thailand: Efforts To Enhance Transport Links Supported by SRV

BK2804114296 Bangkok THE SUNDAY POST in English 28 Apr 96 p 4

[Report by Nutsara Sawatsawang]

[FBIS Transcribed Text] Thai and Vietnamese officials have proposed the establishment of a transport and communications subcommittee to study ways and means to boost trade between the two countries, a Thai Foreign Ministry official said yesterday.

Sananchat Thephatsadin, the Consul General in Ho Chi Minh City, said the transport and communications sub-committee would explore ways to promote trade between the two countries, both by land and sea. It will also look into such formalities as customs and immigration.

If endorsed by the ministerial level Thai-Vietnamese Joint Commission on Economic Cooperation on April 29-30, the sub-committee would also draw up a formal transport agreement between the two countries.

The joint commission meeting will be co-chaired by Deputy Foreign Minister Charat Phuachuai and his Vietnamese counterpart Vu Koan. It will be the third round of talks.

A meeting of senior officials, chaired by Suwit Simasakun, Director-General of the East Asian Affairs Department of the Foreign Ministry, and his Vietnamese counterpart, Nguyen Duy Hung, has proposed that the sub-committee be overseen by the transport ministries of both countries, and report to the joint commission.

The Asian Development Bank [ADB], the main advocate of the Greater Mekong Sub-region Economic Cooperation scheme, has already begun working on a so-called soft-infrastructure to facilitate movement of goods and peoples between China's Yunnan province, Burma, Laos, Thailand, Cambodia and Vietnam.

Vietnam recently promoted Route 9, which links Thailand's Mukdahan province, Laos' Savannakhet and Vietnam's deep sea port of Da Nang, as its first trans-Asia road network. The route is also one of the Manila-based ADB's priority land-based projects.

Vietnam has already entered into a transport agreement with Cambodia and Laos.

"Therefore, it's possible to harmonise procedures under the same system (between Thailand and its neighbours) so it's time to begin (to study how)," said Mr Sananchat.

The senior officials also stressed the importance of coastal maritime transport, he said.

As both countries share adjacent seas, they should take advantage of the situation through the promotion of coastal maritime transport, he added.

The officials, meanwhile, who end their two-day preparatory meeting today, also held separate talks on trade, energy, tourism and culture, and technical cooperation.

The Vietnamese side has called for more trade and investment from Thailand, particularly in the petrochemical and construction sectors. The joint commission's sub-committee on trade, which is to meet in October, will follow up on the matter, officials said.

On cultural cooperation, both sides agreed in principle to work on a Thai-Vietnamese Culture agreement. Both countries also plan to stage a series of celebrations to mark the 20th anniversary of diplomatic relations between them in August.

Thailand: Bangkok, Hanoi To Use International Law To End Maritime Row

BK2704115296 Bangkok THE NATION in English 27 Apr 96 p A2

[Report by Rita Patiyasewi]

[FBIS Transcribed Text] Chiang Rai—In a spirit of cooperation and sincerity, Thailand and Vietnam yesterday agreed to use international law to provide an equitable solution to the delimitation of their overlapping maritime claims in the Gulf of Thailand.

The director general of Legal and Treaty Affairs, Sombun Sa-ngiambut, and his counterpart, Nguyen Qui Binh, ended the seventh round of talks yesterday on a positive note that despite differences in the lines drawn by both sides, the final goal to achieve delimitation was "in sight".

Sombun said the three-day discussion had made progress because for the first time both sides had agreed to a common statement and tried to work on a common understanding that international law should be the basis for delimitation.

"The meeting proved very fruitful and allowed me to gain a deeper understanding of Vietnam's position. This would be a good basis for the Thai side to reach an equitable solution to our continental shelf boundary," he said.

Thailand and Vietnam have used different methods of drawing a line to stake their claims. While Thailand has used the coast as the basis of the delimitation line, the Vietnamese have used the island of Tho Chu, which is 107 kilometres from the coast.

Binh said different methods could be used to offer a solution to delimitation, but the methods must be compatible with other methods (bring similar results).

He agreed with Sombun that in the prevailing positive atmosphere, both parties would eventually become important partners in the region in the context of cooperation and would be able to delimit the area.

"I think the potential (of Thailand and Vietnam) is so big that we cannot imagine it now. If we are to settle (delimitation) quickly, that will bring the level of our cooperation higher. We have remaining differences concerning the overlapping area, which is very small compared to other countries, and we have narrowed down (the differences) a lot," he said.

He said from a technical point of view, both agreed an equitable solution was needed and agreed to use international law, but the international law needed to be precise, and that's where the method would come in.

He added that Vietnam already expressed its methodology in Phatthaya and again at the meeting earlier this week.

"Understanding is very important to help solve and bridge differences and consolidate what we achieve," Binh said.

Thailand and Vietnam have overlapping claims of an area covering 320 km in the Gulf of Thailand.

Thailand: Maritime Demarcation Talks With SRV Held

BK2604061896 Bangkok BANGKOK POST in English 26 Apr 96 p 6

[Report by Phanrawi Tansuphaphon]

[FBIS Transcribed Text] Thailand and Vietnam which have overlapping claims in the Gulf, are finding it hard to see eye to eye on the method of demarcating the maritime border.

Experts from the two countries are due to end a three-day meeting today. It is their seventh round.

Nguyen Qui Binh, Vietnam's key negotiator, said the issue was technical. The two sides were embroiled in methodological and legal discussions.

His Thai counterpart, Sombun Sa-ngiambut, said there was deadlock. Each side was presenting an unacceptable

demarcation and the problem was how to get agreement on which criterion to apply.

Sombun is director-general of the Foreign Ministry's international law and treaty affairs department.

Overlapping claims between Thailand and Vietnam are a sensitive issue because of the wealth of natural resources in the area, and demarcation is likely to take some time to achieve.

Thailand bases its borderline from its coast, while Vietnam takes it from Tho Chu Island off its southern coast.

At the fifth meeting in Phatthaya last August, the two sides agreed that Tho Chu should serve as the basis for delimitation.

There were great expectations at the following round of talks in Hanoi in December that the two sides would be able to resolve their differences.

But at this meeting the two sides again failed to agree on how much effect should be given to the island.

Vietnam claims its method is more popular and it believes that whatever method should lead to the same results, Binh said.

But Sombun reaffirmed that the Thai side could not use Vietnam's method because of the difference in geography. "We will propose that the Vietnamese side draw a new line," he said.

Binh said the two sides were much closer, but Sombun declined to comment, saying he was waiting for Vietnam's position today.

Thailand: SRV Agrees to Joint Maritime Patrols in Gulf

BK2904051396 Bangkok THE NATION in English
29 Apr 96 p A2

[Report by Rita Patiyasewi]

[FBIS Transcribed Text] Vietnam has agreed to Thailand's proposal of joint patrols in the Gulf of Thailand in an effort to improve order at sea, thus helping to create more favourable conditions for future cooperation in the region, a senior Vietnamese official said yesterday.

Director General for Legal and Treaty Affairs Nguyen Qui Binh said Vietnam agreed to the joint patrol and the setting up of a contact channel between the countries's coast guards under its defence ministry and the Royal Thai Navy.

Binh, who led the Vietnamese delegation at the senior officials' meeting, said the joint effort would prevent

violations of sea laws and prevent potential problems from arising.

"We agreed in principle to the joint patrol and the setting up of the contact channel that will enable the two sides to work closer together to prevent any violations of sea laws or accidents," he said.

Former Deputy Foreign Minister Surin Phitsuwan had proposed a joint patrol to his counterpart Vu Khoan at the first meeting of the Joint Committee on Fisheries Cooperation and Order of the Sea, in March of last year, as a measure aimed at preventing any incidents at sea and to help solve bilateral problems.

Thailand has a similar policy with Malaysia.

Deputy Foreign Minister Charat Phuachuai and Vu Khoan will meet today and then are to sign tomorrow the agreed-upon details on the joint patrol, although more talks on the ways and means of carrying out the agreement need to be held, particularly on the frequency of the patrols.

At yesterday's meeting, Thailand also agreed to Vietnam's request to a joint programme to disseminate information to fishermen of the two countries.

Consul General Sanachat Thephatsadin, who is based in Ho Chi Minh City, said Thailand already has a master plan and a programme to educate its fishermen on sea laws.

He also told the Vietnamese officials that in mid-August a Thai delegation of fishery experts will travel to Vietnam to see what kind of investments Thai businessmen could make in the industry.

"Vietnam has a strong need to improve its deep sea fishing experience and fleet capacity. They want Thailand to invest in these areas, but not just in cooperation and the transferring of technology, but also the supporting industries," he said.

He said to encourage Thai investors, Vietnam should offer incentives to encourage such investments.

Sanachat also said at the meeting that both sides agreed to begin a joint survey of natural resources in the gulf. Vietnam and Thailand agreed at the March 1995 meeting to begin the year-long survey last May 1 but due to a shortage of Vietnamese human resources and technical equipment the survey was not conducted. Vietnam proposed that the survey should be in the overlapping Exclusive Economic Zone in the gulf, and said it would contribute one vessel to the survey.

A joint survey on maritime resources will be conducted by the fisheries departments of both countries

and the Southeast Asian Fisheries Development Centre (SEAFDC).

The SEAFDC is a regional fisheries cooperation body that has been actively engaged in research, training, and the development of technology for use in the fishing industry.

Thailand: Khun Sa Policy Forces Daily To Question SLORC 'Credibility'

BK2904094796 Bangkok BANGKOK POST
in English 29 Apr 96 p 4

[Editorial: "Burma Earns Distrust by Choice To Profit Khun Sa"]

[FBIS Transcribed Text] The official decision by Rangoon that it will neither punish nor extradite the world's most infamous heroin trafficker is disappointing, to say the least. The announcement that Khun Sa now was free to live as he wants flies in the face of previous promises by the State Law and Order Restoration Council (SLORC). It puts into question even the small amount of credibility Rangoon had tried to establish in combatting the heroin trade. Clearly, the Burmese junta cannot be trusted in an international effort against drugs traffickers.

The question remains as to why Burma went back on its word to prosecute Khun Sa. Up until this year, the regime had referred to the self-styled Shan leader as a "criminal" and said he must face Burmese justice. Now, it is a different story from SLORC spokesman and minister for hotels and tourism Lt-Gen [Lieutenant General] Kyaw Ba. "We must forgive Khun Sa since he has surrendered," said the general late last week. "Let bygones be bygones."

This would be a wonderful policy for a peaceful country. It is too bad SLORC applies the policy only to Khun Sa. If it were to apply the same virtuous feelings towards Aung San Suu Kyi, Burma would be better off for it. Mrs Suu Kyi, however, has never broken a law, unlike Khun Sa, who has supplied heroin to a generation of people around the world and inside Burma. Mrs Suu Kyi has called for national reconciliation, while Khun Sa has spent his life fighting national governments in his country, in Thailand and abroad.

The circumstances of Khun Sa's surrender to Rangoon last January remain murky. There is also little news about the fate of the heroin warlord — except, of course, that it is to be a happy life for him. Early reports said that Khun Sa, thanks to the huge bribes he paid to one or more generals of the SLORC, was living in Rangoon and setting up private businesses. Lt-Gen Kyaw Ba said Khun Sa is living "as a free man" in the Shan State.

According to the general, Khun Sa will not live in the capital until after the Burmese military has wrapped up the remnants of the Mong Tai army once under the heroin trafficker's command.

Members of the Mong Tai army have no money, so there is to be no forgiveness for them. Instead, their movement is to be crushed, its leaders arrested. For good measure, Lt-Gen Kyaw Ba warned Karenni rebels in eastern Kayah state near the frontier with Thailand. "We are going to smash them," the general said. This has been the SLORC policy along its borders since it seized power in a coup in 1988. The choices given to ethnic rebels has been clear: surrender or die.

Next month marks the sixth year since Burma held open and clean national elections. Voters decided to be ruled by Mrs Suu Kyi's National League for Democracy. Since then, Burmese have been waiting for their elected government to take its place. SLORC has simply refused to recognise the elections — which it organised in the first place. The reason is simple. SLORC fears the Burmese people, and will use all violence necessary to stay in power. Its deal with Khun Sa appears as easy to penetrate: the drug dealer's vast millions have bought his freedom.

The Rangoon regime continues to ignore even the rudiments of justice in its control of Burma. This is why it is frustrating to hear what is effectively support for SLORC from businessmen and others. Particularly ill-timed was a statement by the American Chamber of Commerce in Thailand last week. The chamber, according to its directory, had called on Washington to promote business and trade with Burma. This poorly conceived statement would have been vulgar at almost any time. Coming as it did immediately after American citizens had pressured PepsiCo into selling off its investment in Burma merely emphasised the split between the American businessmen and many of its own citizens.

Rangoon's cold admission it will reward Khun Sa for his decades of heroin trafficking and terrorism speaks volumes. Burma had promised to cooperate with neighbours in fighting the drugs invasion. That promise lies in tatters, along with its promise to hold and abide by elections nearly six years ago. The past statements by toadies and businessmen that Burma should be judged by its actions and sincerity were correct. SLORC has shown no pity to its citizens, and no commitment to living up to promises to its neighbours. Khun Sa is the latest symbol of the trust SLORC has earned.

Thailand: Implications of Recent Lao Leadership Changes Viewed

BK2704145696 Bangkok MATICHON in Thai
24 Apr 96 p 6

[Commentary by Phairat Phongphanit: "Thailand and Reform in Laos"]

[FBIS Translated Text] Last Saturday the Lao National Assembly announced some new appointments of senior officials in addition to the changes made at the party congress in March. At that time it was anticipated that President Nouhak Phomsavan would resign from his post. However, in the latest assembly meeting Nouhak retains his post, while Sisavat Keobounphan has been appointed vice president.

Observers of Lao affairs have pointed out that the aforementioned development shows that while the Lao leadership does not want to abandon the reformist line that it adopted in the past decade, neither does it want to accelerate the pace of reform.

Laos is currently in the midst of ideological differences over the reform process. One side wants to accelerate reform to try to keep pace with neighboring countries, while the other continues to view reform with skepticism. The latter feels that reform is bringing too many rapid changes and is beginning to experience the unprecedented power of money and to fear that the reform may bring neocolonialism to Laos.

It must be recalled that most current Lao leaders are military officers and long-standing stalwarts in the Lao revolutionary army. They still live in the Marxist-Leninist world. The appointment of General Sisavat to help reduce the workload of the president clearly reflects this reformist sentiment.

In another vein, the cutback in power of Deputy Prime Minister Khamphoui Keoboulapha, the reputed reformist leader, seen in his removal from the political bureau and from his position as policy control chief of the cooperation and planning committee, clearly demonstrates concern over and vigilance against reform and foreign influence.

Certain Western diplomats note that the foreign influence that Lao leaders really want to curtail is that from Thailand. Thailand's great economic success has made Thailand a country to be watched constantly with concern by Laos. From a constructive angle, a senior Thai Foreign Ministry says it could be that Laos wants to have more choice as a recipient of foreign investment, because so far more than half of its foreign investment is from Thailand.

Regardless of whether it is concern over reform or the desire for more choice in receiving foreign investment, the final result is that approval of foreign investment by the Lao Government in the future will be more complicated and stringent, particularly investment from Thailand.

Thailand: Fugitive Cambodian General Reportedly Headed to Sri Lanka

BK2704131096 Bangkok BANGKOK POST
in English 27 Apr 96 p 7

[Unattributed report]

[FBIS Transcribed Text] A fugitive Cambodian general accused of plotting a coup two years ago in Phnom Penh dropped out of sight yesterday after he was reported to be on his way to Sri Lanka.

His lawyer said General Sin Song, a former Cambodian interior minister, had boarded a direct flight to Colombo late on Thursday — but Sri Lanka yesterday denied he had been allowed into the country, or had even been on the plane.

There was speculation he had either taken a flight to a different destination or had remained in the transit area of Bangkok International Airport pending a decision on his travel.

His presence in Thailand had cast a shadow over relations with neighbouring Cambodia. Phnom Penh requested his extradition, but Thai authorities declined, saying the charges against him were political rather than criminal.

Sin Song escaped from custody in the aftermath of the abortive coup and was arrested later in Bangkok after entering Thailand via a border province.

He was sentenced in absentia to 20 years in prison, along with alleged co-plotter Prince Norodom Chakrapong, the son of King Norodom Sihanouk. Prince Chakrapong found asylum in France following the king's intervention.

Lawyer Karun Sai-ngam said yesterday he had accompanied Sin Song from the detention centre, where he had been held for the past 18 months on charges of entering Thailand illegally, to the airport.

He boarded the flight with five Cambodian companions, the lawyer said.

Both Thai immigration officials and the Interpol office confirmed yesterday that Sin Song had left the country, but they gave conflicting versions of when and where he had gone.

"I can say categorically that he is not in Sri Lankan territory," Foreign Ministry spokesman Ravinath Ariyasintha said. "He had obtained a visa through false representation and we had banned him from entering the country."

AirLanka, the country's national carrier, said there was no such passenger on the flight to Colombo.

A Sri Lanka embassy official in Bangkok said earlier that a two-week business visa issued to Sin Song was withdrawn on Thursday after the embassy learned of his "political background" through press reports.

Sin Song's application was made with four other Cambodian nationals through a travel agency for a visit to look into investment opportunities, the embassy official said.

Sin Song holds a Cambodian passport issued in Phnom Penh April 8 and valid for five years, the official said.

In Phnom Penh, the Cambodian co-minister of the interior, Yu Hokkri, expressed surprise that Sin Song had been given a new passport, but a senior ministry official said it had been issued at the request of Sin Song's family.

Sin Song's lawyer said his client had applied for a visa only to Sri Lanka, contradicting local press reports that he had obtained visas from five different countries.

Thailand: Cambodian Coup Fugitive Reportedly Sent to Malaysia

BK2804111996 Bangkok THE SUNDAY POST in English 28 Apr 96 p 4

[FBIS Transcribed Text] Cambodian coup fugitive Gen Sin Song and his four aides were put on a plane to Malaysia on Friday morning after being sent back from Sri Lanka, Immigration police sources disclosed yesterday.

The former Cambodian interior minister and his aides were flown to Sri Lanka on Thursday night after being freed from the Thai police privates' training centre jail where they had been detained since October 2, 1994 for illegal entry.

The sources said the general and his group were thought to have been granted political asylum by Sri Lanka when they were first put on a plane for that country. They learned that this was not the case, however, when they were put back on the plane and flown to Thailand the next morning after their request for asylum was rejected.

The group was put on board a Thai Airways International flight to Malaysia later the same morning.

"I thank the Thai Government. Now I can take care of myself and I will not return to seek their assistance

again," Gen Sin Song said before leaving on the second flight.

Vietnam

SRV: Radio Reviews Cooperative Relations With Philippines

BK2604144296 Hanoi Voice of Vietnam in English 1000 GMT 26 Apr 96

[FBIS Transcribed Text] The visiting Philippine Defense Minister Renato de Villa said recent years had seen cooperative relations between Vietnam and his country developed to a new level. Here is our radio editor's opinion:

This comment of the Philippine defense minister reflects the truth. During the ceremony welcoming Vietnamese President Le Duc Anh to his country in April 1994, the Philippine President Fidel Ramos said: Vietnam and the Philippines were always close friends. The two countries have gone through some difficult time to reach that fine relations. Of the last few years, the renovation process, peace, development, and political and economic independence have brought Vietnam and the Philippines closer together. This qualitative change actually took place in 1992, when Vietnamese Prime Minister Vo Van Kiet visited the Philippines, and two years later when President Le Duc Anh visited the Philippines and President Fidel Ramos visited Vietnam. Through these visits, senior leaders of both countries talked with one another as close friends. President Ramos once said that nothing was more natural than cooperation between two close neighboring countries.

The Philippines now have 12 investment projects in Vietnam, totally capitalized at \$127 million. Last year, two-way trade increased by 150 percent. However, these results do not match bilateral political relations. The Philippines is aware it is lagging behind other ASEAN countries in the economic cooperation race with Vietnam. The two countries both wish to raise bilateral economic relations to the level of political relations. This intention will surely become a reality when both countries have the same targets, namely cooperation and development.

Vietnam and the Philippines are on the two sides of the East Sea. Cooperation between these two countries has an important significance in consolidating peace, stability, and development in each country and for the whole region.

SRV: Philippine Defense Secretary Concludes Visit, Departs

BK2604145096 Hanoi VNA in English
1400 GMT 26 Apr 96

[FBIS Transcribed Text] Hanoi VNA April 26 — Secretary of the Philippine National Defence Department Renato S. De Villa left Ho Chi Minh City today, concluding the three-day Vietnam visit.

While here, the Philippine secretary and his entourage were received by State President Le Duc Anh and Defence Minister Gen. Doan Khue.

They were also received by the chairman of Ho Chi Minh City People's Committee, Mr. Truong Tan Sang.

The Philippine guests paid tribute to the late President Ho Chi Minh at his mausoleum, and made tours of the 7th Military Zone, the Army's museum and the Division 308.

They also called at some economic establishments and places of interest in Hanoi, Ho Chi Minh City and the southern province of Tay Ninh.

SRV: Vietnam-Libya Joint Committee Meets in Tripoli

BK2604151196 Hanoi VNA in English
1425 GMT 26 Apr 96

[FBIS Transcribed Text] Hanoi VNA April 26 — The Vietnam-Libya governmental joint committee held its seventh session in Tripoli from April 20-25 to discuss ways and means to promote the two countries' cooperative relations.

The Vietnamese delegation to the session was led by Ngo Xuan Loc, construction minister and chairman of the Vietnamese section to the committee, and the delegation of the Socialist People's Libyan Arab Jamahiriya by (Bashir Ramadan Abojanah), secretary of the General People's Committee (GPC) for maritime wealth and chairman of the Libyan section to the committee.

The Vietnamese minister was given a reception by the secretary of the GPC for Prime Minister Abd-al-Majid al-Mabruk al-Qa'ud who highly appreciated the socio-economic achievements attained by the Vietnamese people recently, considering Vietnam a bright example for the world countries to take. He also had a working session with the secretary of the GPC for information and culture, Fawzi Shalabi, and called at some historical relics.

SRV: Television Relay Station Commissioned in Ha Giang Province

BK2904081396 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 29 Apr 96

[FBIS Translated Text] The Ha Giang Province radio and television station has handed over and put into operation a television relay station in Vinh Phuc village, Bac Quang District. The station is located in the center of the village and consists of a satellite signal receiver, a 100-watt color transmitter manufactured and installed by the Information Equipment and Materials Import-Export Corporation of the Vietnam Television Station, a satellite disk measuring 3.5 meters in diameter, a 35-meter antenna, and two storage facilities to house equipment and a generator. The project is valued at more than 300 million dong, including 60 million dong contributed by the people.

The Ha Giang Province electricity service is carrying out intensive survey and planning work to connect Vinh Phuc village to the national power grid in Luc Yen District, Yen Bai Province by the end of this year.

SRV: Shortage of Scientific, Technical Cadres Viewed

BK2904055896 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 28 Apr 96

[FBIS Translated Text] According to the latest statistics from the responsible organs, the country now has some 4 million technical workers. More than 800,000 of these have college or graduate educations. This includes nearly 10,000 who are doctors, candidate doctors, or doctoral degree holders.

Nevertheless, the number of people who are doctors, candidate doctors, and doctoral degree holders accounts for only 1.2 percent of the number of people with college or graduate educations and is two or three times smaller than in developed countries. In addition, the majority of scientific and technical cadres work in the area of non-material production, mostly in Hanoi and Ho Chi Minh City. Although the rural population makes up 80 percent of the country's total population, the number of professionally-trained youths over age 13 accounts for only 5 percent of the total. This is causing countless obstacles to national modernization and industrialization efforts, especially at a time when scientific and technical cadres in the area of agriculture and construction must adapt to new scientific and technical conditions.

SRV: Rice Exports Reported at 580,000 Tonnes for First Quarter

*BK2604160296 Hanoi Voice of Vietnam in English
1000 GMT 26 Apr 96*

[FBIS Transcribed Text] Vietnam's Ministry of Trade has issued an export quota of 6,000 [figure as heard] tonnes of rice for the second quarter of this year. Vietnam exported 580,000 tonnes of rice in the first quarter. For this year the Vietnamese Government plans to export two million tonnes of rice, the same level as the last year figure.

SRV: Ministry Plans New Power Plants in Central Highlands

*BK2904052396 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 28 Apr 96*

[FBIS Translated Text] According to a Ministry of Industry plan, the central highlands will build five large and medium-sized hydroelectric power plants along the Xe Phan River in Kon Tum and Gia Lai Provinces and the Sre Pok River in Dac Lac Province during the 1996-2005 period. Combined with the output of the 720-megawatt Ya Ly hydroelectric power plant now under construction, the total output of the six new hydroelectric power plants will be 1,171 megawatts, with an annual power supply capacity of 8.4 billion kilowatt-hours.

SRV: Deputy Minister Denies 'Power Struggle' Among Leadership

*BK2904005896 Bangkok ASIA TIMES in English
29 Apr 96 pp 1, 2*

[Report by Peter Limquenco]

[FBIS Transcribed Text] Bangkok — Vietnam's leaders, preparing for a major Communist Party meeting in June, are united in support of economic reforms that have fueled rapid growth but will not take the country down the "capitalist road".

That message came through loud and clear when Deputy Foreign Minister Le Mai spoke to ASIA TIMES in Bangkok in an interview late last week.

Le Mai denied there was any power struggle among the leadership before the party congress, saying differences centered on the speed of development and the balance between social and economic development.

"We will not turn back on the process of reform," Le Mai said. "The negative impact of the command economy was too obvious. But at the same time we ask ourselves this question: Can socialism go hand in hand with the market economy?"

"The market economy idea is simple in the textbook but complicated in reality. If you produce goods, you must also sell them. Before, we did not understand market forces nor was there any successful transition model to follow."

Vietnam's gross domestic product grew an average 8.2 percent annually from 1991 to 1995 but growth has given rise to new social problems and poverty is still widespread. Le Mai, who was in Thailand for the opening of the first Vietnamese consular office in the Muang district of Khon Kaen province, said his country had 1.1 million families who had been victims of the war and depended on the government for financial support.

He said almost 10 percent of the population was handicapped, 40 percent of children suffered from malnutrition and almost six million peasants did not have enough to eat for two to three months each year. Vietnam had, therefore, to follow a policy of "economic development that goes hand in hand with social development" and to realize that "the market economy must respect socialist values: The two cannot be separated".

Given the low per capita annual income of US\$300, Vietnam must try to improve the living conditions of the entire population, he said. The government's approach had been to "reverse some of the excesses of privatization by investing money in education, encouraging local governments to give land to the landless, and (encouraging) low interest rate loans from banks for the poor".

Speaking about the party congress in June which will set the country's course for the next five years, Le Mai categorically denied any leadership struggle.

"There is no power struggle. We continue to maintain the tradition of continuity and renewal" — allowing younger cadres to take over parts of the leadership while maintaining a portion of the old leadership.

As for Western press reports of different factions in the politburo, Le Mai said: "The differences are not substantive ones. Usually the differences are about the speed of development or about balancing social and economic development."

SRV: Trade Ministry Sets Rice Export Quotas

*BK2904074496 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 29 Apr 96*

[FBIS Translated Text] The Trade Ministry granted an export quota of 600,000 tonnes of rice for the first quarter of this year, and 580,000 tonnes have been exported by rice exporting units. After taking local and export demands into consideration, the Trade Ministry will grant an export quota of another 600,000 tonnes of rice for the second quarter to create the conditions for peasants to sell their rice while ensuring sufficient grain to meet local demand.

Australia

Australia: Trade Minister Comments on U.S. Farm Bill

BK2204063796 Sydney THE AUSTRALIAN
FINANCIAL REVIEW in English 1 Apr 96 p 5

[Report by Michael Dwyer]

[FBIS Transcribed Text] The Federal Government has cautiously welcomed the final text of the 1996 U.S. Farm Bill which, for the first time in 63 years, removes the link between agricultural prices and subsidies.

But Australia has criticised Washington's decision to retain both the Export Enhancement Program [EEP] and the Dairy Export Incentive Program, even though funding for the controversial schemes has been capped.

The Farm Bill removes restrictions on planting areas and breaks the link between industry support and production so that U.S. farmers will no longer be paid higher subsidies when prices are low.

But U.S. farmers will still receive guaranteed income support payments of around \$US45 billion over the next seven years. And the U.S. sugar and peanut industries appear to have escaped any significant reform and there was little real change to the cotton program.

The Federal Minister for Trade Mr Tim Fischer, said the new legislation would begin a transition to the eventual elimination of excessive U.S. agricultural subsidies.

Mr Fischer said the Farm Bill also established a platform on which to build the next round of multilateral negotiations on agricultural trade reform.

"But there are many areas of disappointment, and the precise impact of the Bill will vary widely according to commodity," he said.

The Federal Government has also raised concerns about references in the new U.S. legislation to the Australian Wheat Board [AWB] and the Australian Dairy Corporation [ADC], both of which were implied to be engaging in unfair trading.

The new U.S. legislation calls for greater multilateral disciplines to be imposed on State trading enterprises like the AWB and the ADC.

The new Farm Bill should have been signed by the end of December 1995, but ongoing negotiations in both chambers of Congress have held the legislation up.

In the past, U.S. farm bills ran for a period of five years. But this year's legislation will apply for seven years, in line with the timetable laid down in the U.S. Congress by Republican lawmakers for balancing the budget.

The EEP limit for 1996 is expected to be \$US350 million and \$US250 million for 1997, reflecting a low use of the program because of anticipated continued high prices and low stocks.

Funding for the EEP for 1998 will increase to \$US500 million and to \$US550 million in 1999. In 2000, EEP funding rises again to \$US579 million, before declining in 2001 and 2002 to \$US478 million.

The EEP program was funded last year at \$US800 million.

President Clinton is expected to "reluctantly" sign the new legislation in the next few days.

A review of the U.S.-Australia trade relationship published last year found Australian primary producers lose about \$780 million a year in exports because of the EEP and other subsidy programs.

The EEP was introduced by the Reagan administration in 1985 as a counter-weapon to the European Union's agricultural support schemes.

In the past decade, the subsidy schemes have become a key point of tension in Australia's trade relationship with the U.S.

Washington's commitment to the EEP and other export subsidy schemes caused major problems in relations with Australia in negotiations in the Uruguay Round of the GATT.

Australia: Northern Defense Build-Up To Counter Asia Viewed

BK2504042496 Sydney THE SYDNEY MORNING
HERALD in English 25 Apr 96

[Article by Paddy McGuinness: "Top End is the Key of Our Door to Asia"]

[FBIS Transcribed Text] Today is a day when we rightly remember those who fought and died in the wars in which Australia has been involved, though happily never as an original aggressor. Even the scars of the Vietnam War are largely healed and the veterans of that war, fought for the very best of reasons in the very worst of ways, are fully accepted as worthy of the gratitude and respect of their country.

Indeed, it is the Vietnam War we should now be subjecting to considered reappraisal, as our long-term involvement in Asia has been rediscovered by the generation which once turned against any rational involvement in Asia, rejecting the very idea of international peace-making in Asia as politically unacceptable on account of America's blundering into a hopeless war.

For once we become intimately involved in Asia in economic and political co-operation terms, we also inevitably become involved in strategic terms. The great mistake of Vietnam was to get involved in a war which could not be won, even though there were valid reasons for disliking the aggression of the North against the South.

Australia would do well to avoid any involvement in conflicts in Asia which may develop in the future, but there may come a time when we will be drawn in, even if only by way of self-defence. Thus when Bill Hayden, the former Governor-General, suggested in his autobiography that we should look to developing at least the preliminary stages of a nuclear weapons capacity, without actually acquiring such weapons and violating the nuclear non-proliferation treaty, the usual veterans of the anti-Vietnam War movement began howling him down. But what he was suggesting was no more than the commonsense of military preparedness.

Not that we are as unprepared in real terms as we were at the time of the Vietnam War.

At least now we have realised - although the size of the bureaucratic defence establishment in Canberra suggests that the lesson has not been fully learnt - that our defence forces need to be largely located where they might be useful in the event of need, in our far north. As Professor Geoffrey Blainey has pointed out, all the rhetoric of Asian involvement is hollow as long as we lack a coherent policy towards northern Australia.

Where are the threats likely to come from and what kind will they be? The idea of a massive invasion from the north is no longer the nightmare which it once was, even though there is a steadily increasing pressure from would-be "economic" refugees. According to many in the legal profession and the churches, Australia has no right to control its own intake of such refugees, and China's one-child-per-family policy amounts to political persecution of its philoprogenitive citizens which justifies automatic right of entry into Australia as refugees under United Nations conventions.

But the more likely problems are those which will be further from our shores, and will involve potential instability in the region, especially emanating from China, and the security of shipping lanes. The security agreement with Indonesia, despite its clandestine negotiation, at least will help to promote co-operation with that country.

THE ECONOMIST magazine has in its most recent issue raised once again the old idea of a collapse of China into warring states; the external implications of this would be totally unpredictable. But a unified

China determined to prevent further evolution of Taiwan into independent nationhood could produce regional instability; as could any clash over the Spratly Islands. But whatever the problems to our north, there is no doubt that we cannot afford to continue in the kind of mindless disbelief in the rest of the world which characterises, for example, New Zealand.

We can no longer call on the automatic support of the United States, since our communications bases which once were so valuable to that country are no longer of vital strategic importance. One prospect which has not been publicly canvassed in official circles in Australia is that the US might consider establishing a naval base at or near Darwin. This would be so clearly to Australia's advantage in strategic, economic and defence terms that it is sure to be bitterly opposed by the middle-aged veterans of anti-Americanism.

That is, there is deeply ingrained into the attitudes of many of the political elite the belief that there are no potential external dangers facing Australia and no interests which we might have to defend beyond our shores and in alliance with the US. This is, of course, a direct denial of the concepts of collective security which are supposed to underlie the various treaties to which we are signatories.

The essential contradiction in many of the sentimental outpourings today will be that they will attempt to portray our Vietnam veterans as somehow victims, while at the same time denying that what they did was ever really necessary to our participation in the world. The way many of the arguments about the supposed effects of Agent Orange are conducted, you would think that our enemy in Vietnam was not an aggressive communist regime but the US.

The new government will doubtless be tempted to look towards the defence establishment for expenditure savings. For some of them defence is a sacred cow; but it is unlikely that Canberra's Russell Hill seat polishers are either as efficient or less numerous than they should be. It may be that considerable savings could be made in defence. There is no case, however, for cutting back on the reorientation of forces towards the north or the effective equipping of those forces. The Asian region is both dynamic and unsafe.

Australian Minister: Talks With Asian Leaders 'Successful'

*BK2804104896 Melbourne Radio Australia
in English 0500 GMT 28 Apr 96*

[FBIS Transcribed Text] The Australian Government says it has made a strong start in strengthening relationships with Asian countries. Deputy Prime Minister and

Trade Minister Tim Fischer says the new Howard government has made Asia its top priority in both trade and foreign affairs policy. Mr. Fischer says recent high-level contacts between Australia and Asian leaders have sent a message of commitment to the region.

[Begin Fischer recording] What (?come true) was John Howard's excellent talks with Mahathir in Brisbane and that was well known and seen as a very quick step by the new coalition government. Likewise, [Foreign] Minister [Alexander] Downer's parallel visits with mine are very successful with President Suharto in Singapore and also with the Prime Minister of Thailand Banhan Sinlapachai. It was a very positive and, indeed, they accepted Australia is fully engaged with Asia. [end recording]

Australia: Business Community 'Optimistic' About Hong Kong Future

BK2804105296 Sydney THE AUSTRALIAN
FINANCIAL REVIEW in English 9 Apr 96 p 26

[Report by Mark Abemethy]

[FBIS Transcribed Text] The Australian business community is overwhelmingly optimistic about the future of Hong Kong [HK] in Greater China regardless of doubts raised by media and governments, says Hong Kong's new trade representative in this country, Mr Philip Chok.

Mr Chok was appointed director of the Sydney-based Hong Kong Economic & Trade Office [HKETO] — a new position in Australia that falls somewhere between diplomat, trade attache and promoter of closer economic ties between the two countries.

While many Asia watchers have predicted dire consequences after Hong Kong's reassimilation into communist China in 1997, Mr Chok said Hong Kong's business relationship with the rest of the world, including Australia, continued to grow.

Australian companies such as BHP [Broken Hill Proprietary], Leightons and Pioneer Concrete had made huge capital commitments in Hong Kong recently and surveys by Australian Chambers of Commerce showed that companies were still looking for business opportunities in Hong Kong.

"Australian businesses are bringing capital goods into Hong Kong. Why are they doing this? All the factors and indicators show that confidence is very high," Mr Chok said.

"No one wants to sink Hong Kong; it is, after all, the goose that lays the golden egg."

He said there were also growing opportunities for Australian small businesses, especially those engaged in advanced technologies.

The Sydney HKETO, the tenth such office opened by the HK Government, will present the international face of a British colony that becomes a "Special Administrative Region" under China on July 1 next year.

Hong Kong's new status will allow for autonomy in all regards except defence and foreign affairs, making the HKETO its peak foreign representative.

"I have no diplomatic duties," Mr Chok said, although lobbyist is a role he is prepared to play. If you mean lobbying in terms of legislation, the answer is 'no'. As for lobbying Australian Government departments if we have a problem, the answer is 'yes'."

But Mr Chok, 50, does not expect too many "problems" between Hong Kong and Australia. While Hong Kong has been the major promoter of free trade initiatives in the East Asian region, he said Australia's record of freeing trade barriers in the past decade had meant that the two economies now had much in common.

With Australia opening its trade borders to the world, Hong Kong had become its fourth largest foreign investor, with \$14.4 billion [Australian dollars] invested in 1994. He said Hong Kong now wanted to promote more Australian investment in its economy although not necessarily in terms of capital.

There were openings for Australian companies in providing technologies, innovation and know-how in Hong Kong's manufacturing and services — areas dominated by SMEs [Small Medium Economies] in Australia.

"The opportunities exist in information technology, environmental technology, biotechnology, high-precision plastics and metals, food processing, electronic components and telecommunications equipment," Mr Chok said.

"Australian companies in particular have the advantage. Technology is very advanced in this country and the IT [Information Technology] industry is very strong."

Hong Kong was undergoing infrastructure changes that were affecting SMEs. Australian technologies being sought included food processing know-how considered to be among the best in the world — point of sale technologies and systems that could be used to govern the stringent new environmental controls being imposed on businesses in the colony.

Mr Chok said he understood why some foreign commentators were nervous about Hong Kong's re-

assimilation into China but he said the concerns were ill-founded.

China's investment in Hong Kong had grown from \$US10 billion to \$US20 billion since 1990 and Hong Kong's direct investments in China had grown twenty fold in a decade, he said.

New Zealand

New Zealand: U.S. Presence, Asia-Pacific Security Viewed

BK2704133896 Christchurch THE PRESS in English 22 Apr 96

[Editorial: "America in Asia" — received via Internet]

[FBIS Transcribed Text] Last week's [16-18 April] summit agreement between the leaders of the United States and Japan may prove more important for Asia and the Pacific than anything else during the Clinton presidency. The main thrust of the agreement signed by Bill Clinton and Ryutaro Hashimoto was that Japan affirmed its commitment to the US-Japan Security Treaty, and that the Americans would keep 100,000 troops in East Asia. The US had previously given assurances about keeping troops in the area and Japan had remained committed to the security treaty, but the joint declaration carries additional weight at an important time.

The end of the Cold War caused America to conclude that its security was no longer directly threatened from the eastern seaboard of the Soviet Union, and therefore that it no longer needed troops in East Asia. Despite US assurances that it had no intention of leaving the region, speculation continued on the point. It was also feared that US-Japan trade tensions would sour security arrangements, now that the disciplines of the Cold War had gone.

American pressure for Japan to contribute more to regional defence led to speculation that the US wanted Japan to play the regional role that the US played. Added to these underlying factors was the appalling rape of a Japanese schoolgirl on Okinawa by American servicemen, and the revival of resentments about the amount of the island devoted to US military activities. The Governor of Okinawa, Masahide Ota, was refusing to renew the leases for the US military. The US had left the Philippines, partly because of a volcanic eruption, but also partly because it no longer felt it was welcome. It was reasonable to wonder whether it would leave Japan as well. The declaration in Tokyo made it clear that the US has no intention of doing that.

Circumstances might change, but as long as Mr Clinton is President it may be assumed that the commitment was one given in earnest.

The importance given by practically all the countries in the region, including New Zealand and Australia, to a continued American presence would be hard to overestimate. The main reason is that as long as the Americans stay, any bid by another country to become the region's dominant power can be averted. This is based on the belief that a power vacuum would attract would-be dominant powers, and that is the way it would almost certainly work. Russia is too weak economically to be the dominant power even if wanted to. Japan and China are those most often talked about, though occasionally India is mentioned. India might have aspirations, but few regard India as having the capability. None of the countries in the region wants China to become dominant, though all are adapting to China's growing power. Neither Japan itself, nor Japan's neighbours, want Japan to play the role that the US now plays. Many of the suspicions about Japan after the Pacific War have dissipated, but they are still strong in the Koreas, and in China in particular. China would not accept a dominant military role for Japan. The withdrawal of the US would create permanent tension. It would undoubtedly be the cause of an arms race that would interfere with the economic growth of a region that needs continuing growth for its own sake, and on whose economic growth New Zealand relies. Uncertainty characterises the region, but given a sense of stability it survives that; instability would be disastrous.

What is not entirely clear is the extent to which Japan has undertaken to revise Article 9, the peace clause, in its constitution, and what effect that will have. Revision probably would not mean that Japan would spend any more on defence than it does now. It is already a well-armed country. What it might mean is that Japan would be prepared to take part in exercises and send troops abroad. It has been contributing troops to United Nations peace-keeping missions, but taking part in military exercises or joining international forces would be another step. That step would displease China, which has given a warning against a military build-up by Japan. Japan has said that it does not believe that the security treaty between Japan and the US is aimed at China. Nor is it totally clear whether the declaration made by Japan and the US will be accepted at face value by the countries of the region. It should be. If it is not, questions about the fundamental underpinning of security in Asia and the Pacific will continue.